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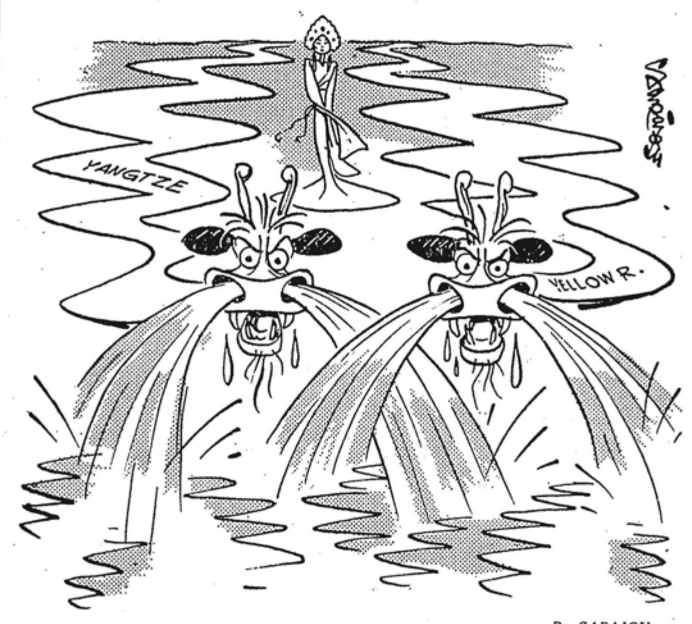

By SAPAJOU

Her Guardians

Historic Anking

Delving into Chinese history from the semi-legendary period of the Three Kingdoms onwards there is an abundance of interesting reference applicable to events on the Yangtze which is once again a great battlefield. Then, as now, large armies fought along its banks and large fleets of ships fought on its waters although the association was much happier than the present situation arising from the capture of Anking and the Japanese naval movement up the river. Anking, capital of Anhwei province, was not established as early as this period of heroes, strategists and knights which, in a romantic sense, dates Chinese history. The city was founded about the year 1280 towards the end of the Sung dynasty and its builders were refugees fleeing from the Mongols who found its high elevation, and its position on the river of great strategic and defensive value. For centuries it was unaffected by the change of dynasties until the Taiping rebellion when it was almost completely destroyed and some of the trenches and embankments still remain to illustrate the onslaught of fury and devastation. Since then the city has been rebuilt but the Great Pagoda, outside the city and built in 1580, remains one of the finest of its kind in the Yangtze. To it attaches a number of legends. It has a nautical derivation and Anking's importance with the river has resulted in its builders fixing two anchors to the structure, which is seven storeys high. In general belief it is supposed to play the part of a mast and sway in the breeze, and this is connected with a local superstition, according to one authority, that nobody with the name of "Peng" meaning "sail" or "Chang," meaning "oar" should be appointed to high office because this would mean that the city would float down river. The occupation of this city by Japanese naval and military forces poses a difficult question whether the superstition is not just imagination but a definite prediction for Anking is now a naval and military base and although this is no time to indulge in historic fantasies when aeroplanes, high explosives, tanks and warships are disturbing China's calm it is an interesting point to mention.

A Flood Defence

Indignation appears to have been aroused concerning the alleged cutting of the Yellow River dykes by the Chinese, and there is a tendency in some quarters to criticise them strongly for so doing. There are plenty of precedents for taking such a step, if indeed they did so, and it is necessary to go no further back in history than the Great War to find one, in the flooding large areas in Belgium for the purpose of holding up the German armies. Some capital is also made of the sufferings which must be inflicted upon the farmers in the districts involved. Fortunately large numbers of them have fled before the Japanese advance, and the mortality from flooding is not likely to be as large as if the river had run wild in times of peace. Criticism of what the Chinese have done in this regard is not well founded, and those indulging in it appear to have come to the conclusion that if there are any rules governing warfare, China at least should be expected to observe them. The Chinese are fighting a desperate struggle with a very powerful foe, and it cannot be expected of them that they should refrain from taking whatever advantage may be gained by flooding areas through which the Japanese will have to move in their march towards Hankow. That famine may follow the flood, as it so often does in China is to be regretted, but after all it merely adds in a small degree to the suffering of the millions of people driven from their homes and facing famine conditions even at the present moment. The Chinese policy of leaving only the scorched earth to the invader is every bit as terrible as loosing the flood waters of the Yellow River, and even if these things are considered hideous they are no more so than the very war which brings them about. If the plains of Honan and Anhwei are to remain flooded for the summer months, the Japanese forces may find their projected march on Hankow not quite so easy as it was at first believed, for it will make access to the mountains in which the Chinese are said to contemplate a final stand very difficult, and will probably oblige the Japanese to concentrate more on an advance along the north bank of the Yangtze.

"Police Bombing"

Important implications attach to the debate in the House of Commons regarding bombing operations in China and Spain, which have aroused world-wide indignation and condemnation. An attempt has been made to compare the incidents in these two countries with the operations of the Royal Air Force on the North-West Frontier of India where what is officially described as "police bombing" is carried out against unruly tribesmen. Several questions were asked in this connection and a suggestion was made that it would be a token of good intentions if Britain would discontinue these operations in view of the American declaration for the humanizing of warfare. Mr. Neville Chamberlain, the Prime Minister, explained the differences in the cases quoted. On the North-West Frontier, the R.A.F is not employed to bomb civilian populations, and all operations are preceded by at least 24 hours' notice to enable the tribesmen and their families to evacuate. This notice is generally given in messages dropped from the air, or by emissaries sent into the area involved. Between the small Indian villages and big cities like Canton the process of evacuation, of course, differs tremendously for it is obviously easy for the inhabitants of 40 or 50 huts to move in case of punitive action than to evacuate a big city like Canton, even if the Japanese contention that it is an important military base is substantiated. Obviously, it is difficult to decide the matter of degree, a point which brought forth strong remarks from the Opposition in the House, but the fact that the Premier declared Great Britain was prepared to abandon this practice if it stood in the way of a general agreement is an encouraging indication that some action may at last be taken to avoid repetition of the shocking experiences of Canton and Barcelona.

Japan and Opium

Further details concerning the recent incident at the meeting of the League of Nations' Advisory Committee on Opium show that Mr. Eiji Amau, the Japanese delegate, was thoroughly heckled over the question of Japan's drug policy in China. Mr. Fuller, the American delegate, and an expert in matters connected with the illicit drug traffic, made definite charges that the Japanese Army and merchants were engaged in the drug traffic in China, and, following Mr. Amau's denial, other delegates are reported to have produced evidence to show that Japan was flooding occupied areas in China with drugs. It is an established fact that opium smoking has been legalized in the Peiping area, and that smoking establishments are being licensed and duly regulated. The attempts of the Chinese Government during recent years to put a stop to opium smoking have been completely nullified, and the situation is just about as bad now as it was when the Nanking Government sought to bring about necessary reforms. It may be argued that the step has been taken not by the Japanese Army officials, but by the provisional government established in Peiping. That is an argument which will hold no water, for the government is a creation of the Japanese and completely under their control. It will be remembered that following the esablishment of the independent government of Manchoukuo the traffic in narcotics increased enormously in that territory, conditions in such places as Harbin calling for much condemnation by journalists who visited them. Mr Amau had a difficult task before him which he sought to convince the Committee of the inaccuracy of the charges made by the Chinese delegate, and he does not appear to have succeeded. On the facts as they are easily ascertainable in the Far East a very grave responsibility rests upon Japan in this connection. She has jurisdiction over those people most active in the business and if it could be shown that such persons had been brought to book much of the present criticism would disappear.

Battle of the Films

No period in modern times has resulted in such a wide use of the cinema film for propaganda purposes or the question of dispelling diplomatic doubts—as the present Sino-Japanese hostilities. Apart from the ordinary news reels which have given the world an extremely graphic picture of conditions in this country, there is an increasing use of this medium for political objects, although the results have varied. The bombing of the Panay was an instance of a photographic record upon which was placed great importance for the results it might reveal, but although the Japanese authorities assumed full responsibility for the incident and paid indemnity expectations of evidence were not fulfilled. The pictorial story was there in all its graphic portrayal but the specific incidents were lacking. In England and the United States a film has been shown privately showing the results of the excesses of the Japanese troops after their capture of Nanking, and it is to be expected that the effect on those who have seen it will register deeply. Now comes the Anti-Opium Commission at Geneva where a suggestion was made that a film depicting illicit opium traffic in the former Japanese Concession at Hankow should be shown as part of China's case. The Japanese delegate effectively blocked the suggestion by threatening to walk out if it were shown and countering with the remark that if the suggestion were accepted it would "give an official character to a Chinese propaganda film." The Commission thereupon refused to see the film either on the strength of the argument or the Japanese threat to leave the Conference. In any case, it was a wise decision because although the camera is not supposed to lie yet it can be used to produce the reverse of the truth and the floods of propaganda emanating from the present hostilities have caused too much bewilderment and uncertainty in the public mind to warrant any extension of this type of pictorial documentation into international council chambers.

Economic Boomerangs

The report from Tokyo that the Japanese Government will restrict exports of cotton yarns and piece goods to China, except to Hongkong and Macao, as from June 21, is most interesting. The explanation for this move adds piquancy to the situation for exports of this major product of Japanese commercial industry are to be curbed in order to "improve the balance of international payments" in Japan's economy. The leading Japanese commercial daily, the "Chugai Shogyo," authoritatively says that such textile exports will be limited from June 20 to December 20 to 23 million square yards of piece goods and 500 bales of cotton yarns. The "Asahi" praises the move as being inevitable since further exports to Manchoukuo, North and Central China, now claimed as within the "Yen Bloc," would "only serve to make worse instead of better the balance of Japan's international payments." It thus appears that economic and political relations between China and Japan have turned full cycle, for it was noticeable that just shortly before political relations became strained again, Japan's trade with China, particularly textile exports, increased heavily and profitably with what appeared to be a new rapprochement; now, in the height of hostilities and utter impairment of political relationships and with definitely claimed inclusion of North and Central China within the "Yen Bloc," Japan herself is constrained to restrict her own exports of one of her main products to China, her most important market. Economics may yet teach the lesson which diplomatic preachments invariably fail to do. Repercussions of this "economic boomerang" will be most interesting to observe.

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CHINESE POLITICS

Invasion by Drugs is Murderous

Chinese Delegate at Geneva Reiterated That Japan was Fostering the Drug Trade

Geneva, June 13.

JAPAN is fostering the spread of opium in China and Manchuria and is responsible for large drug shipments from China to the United States, Mr. Stuart J. Fuller, Assistant Chief of the Far Eastern Division of the State Department, told the League of Nations Opium Advisory Committee here today, in an outspoken declaration. He said "illicit dope trade is flourishing" in Japanese controlled areas of Asia, with the exception of Japan, Korea and Formosa.

State Department information, he revealed, showed that at least 650 kilograms of heroin had been exported to the United States from the Japanese Concession in Tientsin by one of several Japanese gangs engaged in the dope traffic. Japanese narcotic trade is sweeping through Mukden, Harbin, Peiping and Tientsin where Japan is attempting to keep the Chinese people in subjugation, he said.

Mr. Fuller said 460,000 pounds of Iranian opium had been consigned to the Japanese Army in China recently.

"I have been informed that sales and delivery of this shipment will be made under the supervision of the Japanese Army in any part of Central China occupied by the Japanese Army," Mr. Fuller said in one of the most outspoken condemnations of Japanese drug trade ever heard here.

Mr. Fuller, on behalf of the United States, asked the Committee to demand that Japan give some explanation of her drug-spreading policy toward China, Manchuria and the United States.

Chinese Allegations

Mr. Victor Hoo, Chinese delegate, reiterated Mr. Fuller's allegation that Japan was fostering the drug trade in China in an attempt to "poison" the Chinese people and lower their resistance to Japanese aggression.

"Japan combines military invasion with invasion by drugs which in the long run is murderous," Mr. Hoo said.

He suggested that the anti-opium committee be shown a film exposing former Japanese drug trafficking in opium in the Japanese Concession at Hankow prior to the outbreak of the Sino-Japanese war.

The Japanese delegate, after taking exception to the evidence presented against Japan, threatened to leave the Commission if the Chinese film were shown. He said that screening of the film would "give an official character to a Chinese propaganda film."

The Committee refused to see the film.

Control Plan Submitted

Mr. Alfred E. Blanco, director of the Anti-Opium Information Bureau, has presented the League Committee with a plan to halt all opium smoking and eating throughout the world by 1948, but few delegates here today had any hope of placing such a plan into effect as long as nations such as Japan officially sponsor the drug traffic.

Estimating that 1,090 tons of opium are being consumed this year, Mr. Blanco declared in a press statement here that if the League would adopt his ten-year plan there would only be 290 tons of opium required at the end of the decade. He said that opium smokers this year are consuming 300 tons and opium eaters 500 tons, compared to 290 tons devoted to medical and scientific requirements.

"Cannot Hide Poppy Field"

Mr. Blanco admitted he was doubtful as to the outcome of the session of the League Committee. He said, however, that he was counting on the United States to prevent it from being a complete failure.

"If this preparatory committee does fail," Mr. Blanco said, "it will mean that there will not be another attempt to wipe out opium smoking and eating for years to come. It is an easy task if all the governments are sincere because it is quite impossible to cultivate bootleg poppies. You can't hide a poppy field."—United Press.

Gaimusho Uninformed

Tokyo, June 14.

The statement made at yesterday's meeting of the Anti-Opium Commission by Mr. Amau, Japanese delegate, is not available here, declared a spokesman for the Foreign Office when interviewed by Reuter' correspondent today.—Reuter.

Resolution for Enquiring

Geneva, June 14.

A resolution calling for an investigation into the allegations against Japan of encourging the narcotics traffic in China and the adoption of "effective measures" was submitted at this morning's session of the Anti-Opium Committee after the Japanese delegate, Mr. Amau, had denied accusations made against Japan yesterday by several delegations, including the United States.

M. Coromoy, of Belgium, who spoke after Mr. Amau, declared that the Japanese delegate's answer was inadequate. He then submitted the foregoing resolution, which the Commission accepted in principle. The text of it will be discussed at a later sitting.

Denies Charges

Geneva, June 14.

Mr. Eiji Amau, Japanese delegate to the League of Nations' Advisory Committee on Opium, today denied official American charges that the Japanese Army and Japanese merchants were engaged in the drug traffic in China.

He said Japan had taken radical measures against the drug traffic in Tientsin.

Mr. Amau's denial immediately drew additional accusations against Japan from other delegates who presented evidence that the Japanese Army was flooding occupied areas of China with drugs in an effort to "keep the Chinese people under subjugation."

"So Much Smoke, No Fire?"

"How can there be so much smoke without fire?" the Belgium delegate asked Mr. Amau.

The Japanese delegate yesterday succeeded in preventing the Committee from viewing a film depicting Japanese drug activities in Tientsin and in the Japanese Concession at Hankow prior to the outbreak of the Sino-Japanese war. The film had been offered by Mr. Victor Hoo, Chinese delegate, who said that Japan's policy of flooding China with opium was in the long run "murderous."

American Accusations

Mr. Amau's denial was directed against the statement made before the Committee yesterday by Mr. Stuart J. Fuller, Assistant Chief of the Far Eastern Division of the State Department and American delegate to the League Committee.

Mr. Fuller said Japan was fostering the spread of opium in China and Manchuria and was responsible for large drug shipments from China to the United States.

The American delegate said no measures had been taken to control the opium traffic in Japanese-occupied areas and that the Japanese Army itself was importing opium for distribution among the Chinese.—United Press.

Alleged Plot Against Chinese Leaders

Hankow, June 19.

Three persons were arrested here today for allegedly participating in a plot to threaten the lives of prominent Chinese leaders and businessmen, including Mr. Chu Chia-hua, Secretary-General of the Central Kuomintang and President of the Chinese League of Nations Union.

One of the trio is alleged to have organized the "Righteousness Assassination Corps" in Hankow for the purpose of extorting money.

All three were arrested in a local hotel by the garrison authorities, who are investigating whether they belong to an extortion gang or to a Japanese espionage ring.—Reuter.

Soviet Envoy Returns To Moscow

Hankow, June 19.

The Soviet Ambassador, Mr. Luganets Orelsky, accompanied by his wife left Hankow yesterday by air en route to Moscow for a short trip. They took off from here in the morning and arrived at Urumchi, in Sinkiang province, the same afternoon.

While the Ambassador's mission to Moscow has not been disclosed, it is understood that he is returning to China in a month's time.—Reuter.

North West Attack Predicted

Hankow, June 15.

In a leading article today under the heading of "Strengthen the North-west Defences," the influential "Ta Kung Pao" urges the Chinese Government and public not only to pay attention to the military situation in the Yangtze Valley and the Lunghai Railway, but also to prepare for a Japanese invasion of the north-west.

Although the situation is comparatively quiet at present in Suiyuan and Shensi, the newspaper says, "Japan has long planned an invasion of the north-west not only as part of her China programme but an important move in her future war with Soviet Russia."

The "Ta Kung Pao" proposes the stationing of a strong independent army in the north-west and the training of a new army in the area in question.

The newspaper points out that an unsatisfactory situation exists in the "special district" in Shensi and Kansu provinces (the Chinese Soviet district), where many hsiens are said to have two magistrates; one appointed by the Central Government and the other by the Soviet administration.

Chinese Communists are urged, in accordance with their policy to support the Central Government in the war of resistance, to endeavour to remove all undesirable features in the present "special district."

In conclusion the "Ta Kung Pao" urges close co-operation between Chinese and Mohammedans in the north-west.—Reuter.

Dr. C. T. Wang on Why Japan Began Attack

New Haven, June 19.

Dr. C. T. Wang, Chinese Ambassador to the United States, "today said Japan attacked China because she feared the recent development of Chinese unity portended the creation of a state militarily-strong enough to resist projected Japanese aggressions.

The Chinese Ambassador made this statement during a speech at the annual meeting of the Yale-in-China association here.

Japan, he explained, especially undertook to destroy Chinese educational institutions because she regarded them as centres of national spirit.

China in the twentieth century, he said, experienced greater changes than in the preceding thirty centuries.

"Thus," he declared, "the present tragic situation, created by the same savage onslaught of Japan's armies in China, has been rendered still more tragic by reason that a check has been given the efforts of China to reconstruct her national life. However, one exception must be made.... This relates to the growth of a truly national feeling which finds its expression not only in the cultural field but in the political field."

Japan's aggression, he pointed out, has served only to increase Chinese unity.

Whatever the war's outcome will be, he said, "the end will find the Chinese politically and nationally more united than ever before."—United Press.

150,000,000 Affected By Hostilities

Hankow, June 15.

A total of 150,000,000 Chinese have been directly or indirectly affected by the present hostilities, and destitute refugees total 30,000,000, the International Relief Committee announced today. Refugees registered at refugee camps total 1,000,000.

The Chinese Government, it is understood, has already appropriated $1,600,000 for the relief of refugees.

The International Relief Committee is arranging with the five provincial governments of Hunan, Szechuen, Kwangtung, Kwangsi and Yunnan to accommodate at least 10,000 refugees in each province.

A total of 200,000 refugees will be sent to southern Kiangsi for work on a land reclamation project.—Reuter.

New Mohammedan Chief

Hankow, June 19.

General Pai Chung-hsi, the Kwangsi leader and Chief of the General Staff of the Chinese Army, was today elected Chairman of the Executive Committee of the Chinese Mohammedans' Association.

Besides urging all Mohammedans in China to join in the resistance campaign against the Japanese, the Association has decided to send delegates to India, Egypt, Turkey and other Mohammedan countries to explain the stand of the Chinese Mohammedans.—Reuter.

German ex-Adviser Reports on China

Berlin, June 17.

Major Lorenz, who has just returned to Germany after having acted as military adviser in China from April, 1931, to April, 1938, gave his views on the military situation in the Far East at a special meeting here of the China Study Society. The gathering was attended by a large number of prominent personages and by many members of the Chinese colony in Berlin.

Major Lorenz stated that the initial difficulties facing the Chinese army command, which had largely been due to lack of concentration in the disposition of its forces, had now been surmounted through the masterful leadership of Gen. Chiang Kai-shek. Even the technical superiority of the Japanese Army, which had characterized the early phases of the war, was losing in importance from day to day.

The Chinese National Government, the speaker went on to say, was tackling its tasks in a vigorous manner and without regard to personal interests and it was undoubtedly gaining ground. Industrial development was moreover proceeding apace and even the "outside world" was finding new ways, especially through Indo-China, of coming to its assistance.

There was therefore, Major Lorenz declared, no reason to speak of the possibility of a "premature" or "dictated" peace. China's strength at this hour reposed in the greatness of Gen. Chiang Kai-shek and in the greatness of the people who had chosen him as their leader and who were determined to fight for their independence.

Yunnan as Granary

Professor Hermann von Wissmann, son of the famous German Africa explorer, also addressed the gathering, his subject being the economic importance of Yunnan Province.

Together with a Chinese member of Nanking University and at the suggestion of Gen. Chiang Kai-shek, Herr von Wissmann had explored this region in the year 1937. This venture, he stated, was in itself an instance of fruitful Sino-German collaboration designed to find new ways for contributing towards a further development of China.

Yunnan was described by the professor as the granary of China. It was all the more fitted to play this part in the future of China as, being for the most part spared from the threat of catastrophies wrought by nature, it could become a reliable factor in China's national economy. Apart from this there were very important mineral resources including tin and copper ore as well as gold and silver.

Better communications, he stressed, were the crying need of Yunnan. The opening up in the economic sense of this wealthy province, would bring a valuable extension of the Chinese market and was a matter in which Germany was keenly interested.—Trans-Ocean.

Departure of German Advisers from China

Hankow, June 20.

With reference to a reported statement in Tokyo that "the German advisers in China with the exception of Gen. von Falkenhausen and Gen. Krummacher, are leaving Hankow soon, probably before the end of the month," Reuter learns from reliable local German circles that the question of the date of the advisers departure has not yet been decided upon.

Although the advisers had previously planned to leave Hankow on June 29, their departure, it is understood, may be postponed, since a settlement has not yet been reached between the advisers and the Chinese Government.

German circles here maintain that "the advisers will either all go, or all remain. There can be no exceptions."

The suggestion that five of the advisers should remain has now definitely been dropped, it is learned.—Reuter.

No Currency Changes

Hankow, June 20.

Foreign press reports to the effect that the Chinese Central Government intends to introduce a new system of currency and has already printed new banknotes are declared to be false by the Chinese Finance Ministry. It is stated that there is no necessity for such a measure since the monetary control now in effect is adequate for maintaining the stability of the Chinese currency.—Trans-Ocean.

Peiping Diatribe A "Peace Feeler"

Peiping, June 20.

What is believed to be a "peace feeler" was issued over the week-end here by the Peiping "Provisional Government" in the form of a statement on the horrors of war. It said that "it will take a century for recovery from these horrors."

The statement, which is generally believed to have Japanese influence behind it, ended with an appeal to Hankow leaders, including General Chiang Kai-shek, to "acknowledge defeat." These leaders were assured that posterity would forgive them if they did so.

Mr. Wang Keh-min, President of the Executive Yuan of the "Provisional Government," in issuing the statement, referred to the sacrifices made by the Japanese and the sufferings undergone by the Chinese in "clearing China of undesirable elements."

"Our view," the statement declared, "is that the war must cease immediately."

"The Kuomintang have run amok. Our statement is made as a stepping-stone for them to regain their senses so that an end may be put to this unnecessary disaster."—Reuter.

Mediation Hinted

London, June 19.

The press here today played up the difficulties being encountered by the Japanese in the present hostilities with China and hinted at the possibility of mediation in the conflict.

"If the embankments of the Yellow River have been broken by the Chinese without regard to the consequences for their own people, they took a decision that certainly does not suggest an early termination of China's resistance," the "Daily Telegraph" stated this morning. "Every month, while the Japanese lines of communication lengthen in hostile country, the Chinese have been building up new powers of resistance.

"Methods of frightfulness as at Canton served but to strengthen the national spirit in China," the paper continued. "In these circumstances, it is the Japanese-created Peiping Government that called upon Hankow to end the 'futile' resistance."

The "Daily Telegraph" asserted that this appeal indicated increasing doubts in Japan as to the possibility of colonizing China.

"The signs of a moderate spirit in Japan and the desire at least for indirect negotiations may have no immediate effects, for the floods gave the Chinese a partial respite," the journal added. "But they may bring nearer the day when mediation will not be so emphatically repudiated as it was last Friday by General Ugaki (Japanese Foreign Minister)."—Havas.

Chinese Envoy to Berlin Resigns

Hankow, June 14.

Dr. Chen Tien-fang, Chinese Ambassador to Berlin, has resigned, it was announced here today.

The Executive Yuan have appointed Mr. Chen Chieh, Administrative Vice-Minister for Foreign Affairs, to succeed him as Ambassador in Berlin.

Other appointments and changes announced are:

General Cheng Chen to be chairman of the Hupeh Provincial Government, replacing General Ho Chen-chun, who is appointed Chief Judge of the Military Tribunal;

Mr. Tseng Yung-fu, Vice-Minister for Railways, who visited London during the Coronation of King George VI, to be Administrative Vice-Minister of Foreign Affairs in succession to Mr. Chen Chieh;

General Chiang Ting-wen to be Governor of Shensi Province, replacing General Sun Wei-ju.—Reuter.

Generals Executed

Hankow, June 13.

The National Military Council today announced the execution of General Tang Tze-sin, Commander of the Fourth Cavalry Army Corps, and concurrently Commander of the Tenth Cavalry Division.

The charges against General Tang were of mutiny, defying the orders of his superior officers, and looting in West Honan.—Reuter.

Hankow, June 20.

The execution on June 17 of General Lung Mo-han was announced from the headquarters of General Chiang Kai-shek today.

General Lung, who was comma[illegible] of the crack 88th Division [illegible] participated in the Shanghai [illegible]ing, failed to carry out the [illegible] of his superiors in the defence [illegible] Lanfeng, the announcement said.

It added that "although General Lung Mo-han personally led his Division in the recapture of Lanfeng, military discipline does not permit disobedience. Therefore, General Lung had to be executed."—Reuter.

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"Hai Ho" instead of "Honk Honk."

She'd brave the flood but not a camera.

Flooded Shanghai

Removing perishable goods from a flooded shop.

Shanghai's rainfall for this year is higher by several inches than the average for the past 62 years and has created a record. This is mainly due to the spell of wet weather which commenced on June 11 and has continued since then with steady monotony. As a result, several sections of Shanghai have been under water and scenes depicted on this page have been a common sight.

Many roads are flooded as a result of the continuous rain with which Shanghai has been visited.

Transportation de luxe across the lake which formed on the Race Course.

What was merely an inconvenience to the majority of residents was sodden misery for the homeless. They crowded under whatever shelter offered itself.

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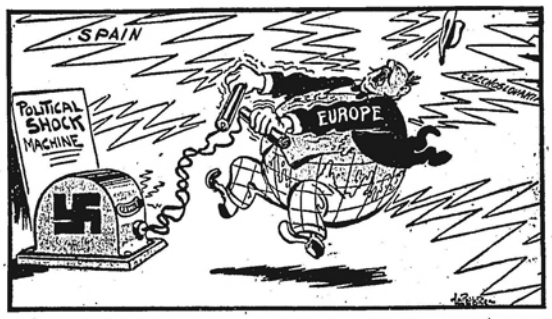
The World's Wit and Humour

"Washington Star" Washington

THE NEW DEAL'S SEVEN DWARFS



"Western Mail" Cardiff

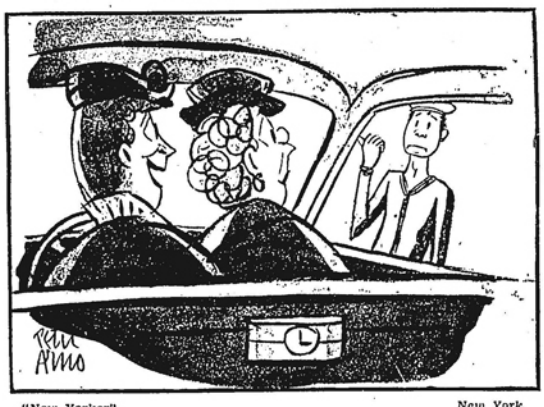
HIGH TENSION

"Evening Standard" London

"Of course we're on the right road! Can't you see the signpost?"

"Daily Herald" London

HEAD GARDENER: "Don't worry about those Myopotamus Coypus, Edward. Just concentrate on keeping the greenfly off this rose."



"New Yorker" New York

"Oh, let's! He might be fun."

"New Yorker" New York

"Well, well I can remember when all they gave you was your quarterly interest."

"Evening Standard" London

"This one came up by itself, but I treat it as if it were one of my own."

"Judge" New York

"Contract or no contract—I wanna play opposite Myrna Loy!"

"New York Times"

New York

WHEN THE LEAGUE BEGAN—AND NOW

A cartoon of 1919 is contrasted with one of to-day.

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Articles and letters intended for publication in the news columns of the paper should be addressed to the Editor and not to individuals. Correspondents are requested to typewrite on one side of the paper only. Letters to the Editor should be brief and to the point.

BIRTH

SCURR.—On June 16, 1938, at The Country Hospital, Shanghai, to Capt. and Mrs. H. SCURR, a daughter.

DEATHS

GUTERRES.—On June 15, 1938, at the Country Hospital, Shanghai, BRANCA MARIA, beloved infant daughter of Mr. and Mrs. J. M. Guterres. (Hongkong and Macao papers please copy.)

GUTTER.—On June 17, 1938, in Shanghai, HIRSCH GUTTER, age 53.

MARCAL.—On June 20, 1938, at the General Hospital, Shanghai, Miss FLORIZA (Filha) MARCAL, aged 24 years, the dearly-beloved daughter of Mrs. F. M. Marcal and sister of Luiz, Vasco, George and Hilda. (Hongkong and Macao papers please copy.)

MONZON.—On Sunday, June 19, 1938, at the Paulun Hospital, Shanghai, Mrs. ANDREA SARREAL MONZON, aged 30 years, the dearly-beloved wife of Mr. Grigorio Monzon. (Manila papers please copy.)

IN MEMORIAM

GOERTZ.—GEORG-WILHELM, died in Shanghai on June 13, 1934 in his 34th year. (buried in Germany) Could love have saved Thee Thou had'st not died.—SERA.

HAAS.—In precious and loving remembrance of SARINA HAAS, our beloved mother and wife of the late Mr. A. Haas, who passed away on June 22, 1934.—Forever in our hearts, sadly missed by her loving children CECILIA, NORBERT, ISIDORE and MALVINA CONINGS.

THE CHANGE IN JAPAN

June 15.

One of the most interesting features of the recent remodelling of the Japanese Cabinet has been the discussions which have been carried on in the Japanese Press with regard to the personalities of the new ministers. Very considerable attention is being paid to the appointment of General Kazushige Ugaki to control of the Foreign Ministry, and it is to be generally assumed that the selection of so strong and popular a man has been made with the idea of bringing the foreign policy more into line with the military needs of the situation on the one hand, and a closer understanding by the military faction of the political aspects of the many foreign problems with which Japan is faced as a result of her venture in China on the other. The strengthening of the internal structure of the Japanese Foreign Office is reported to be one of the main items in General Ugaki's programme. This the general has stated in an interview given to the Press recently. He is quoted as saying:—

"It is my conviction that foreign Powers will come to alter their conception of Japan when they have realized that this country's policies toward China are unshakable even if the hostilities must last for three more years, five or even 100.

"This, however, should not be interpreted as any intention on our part unnecessarily to challenge foreign Powers. I intend to endeavour to maintain maximum harmony with those nations who correctly understand Japan's position. I feel, however, that the success of my efforts entirely will depend upon the extent to which all foreign Powers are willing to understand our position and actions in the Far East.

"Thus, summing up, I may state that the main principles of my diplomatic policy will concern reform of the internal system of the Foreign Office and steps to improve the attitude of foreign Powers toward the intentions of this country."

That is a most important declaration for it indicates the determination of the Japanese Government to pursue present policies to the bitter end, and a definite statement that the Japanese Government has in no way modified intentions which were so freely expressed at the commencement of the hostilities.

The General is not on so safe ground when he says that he feels that the success of his efforts will entirely depend on the extent to which all the foreign Powers are willing to understand the Japanese position and action in the Far East. The suggestion that certain Powers do not understand these things may prove of some comfort to domestic Japanese public opinion, though in reality the neutral Powers who have been watching all that has been going on in China thoroughly understand the position, and because of that fact are highly critical. If General Ugaki hopes that convictions thus formed can be changed to a greater sympathy with Japanese aspirations in this part of the world he is likely to be gravely disappointed, for it must be remembered that even Germany and Italy are more than a little anxious over what has been happening, and with regard to the former it is mainly German loyalty to the anti-Komintern pact which keeps her so firmly in line with the Japanese in this matter. Germany has been called upon to pay a high price for Japanese adherence to the Pact, and the resentment which must naturally be felt by the Chinese over recent developments may make that price even higher. The influential journal the "Yomiuri" states that General Ugaki is preparing to parallel his diplomatic policies with those of the military and financial departments of the Government, in which he will be influenced by the following principles:—

1. To elevate Japan's position in China, as well as the country's international position toward all other Powers, by strengthening the anti-Comintern axis among Japan, Germany and Italy.

2. To improve Japan's relations with Great Britain, the United States and the Soviet Union notably in relation to the campaign in China.

3. To induce foreign Powers to abandon their policies of assisting China.

Up to the present Japanese policy has done little or nothing to strengthen the anti-Komintern axis: it may indeed have sown seeds of weakness as suggested above. General Ugaki's ambition to improve Japan's relations with Great Britain, the United States and Soviet Russia, notably in connection with the campaign in China is a most praiseworthy one. It is difficult to see how he can possibly succeed. Relations between Japan and Soviet Russia have not been good for years past; this campaign in China can do little to improve them for the very simple reason that Japan claims to be fighting against everything for which the Soviet Government stands. Public opinion in Great Britain and the United States has been greatly shocked by much that has happened in China. Their governments find the interests of their nationals severly damaged by the complete disregard of solemn promises which has been one of the striking features of Japanese behavour in China. They find nothing but disapproval for the principles which are alleged to underlie the Japanese policy, and because of these things General Ugaki will be faced with a task of enormous difficulty. While it is still too early to see how he proposes to carry out his policy, there is sufficient evidence to show that the recent Cabinet reshuffle has placed the Japanese military caste more firmly in control than ever before, and the impression cannot be escaped that whatever changes are to be made towards strengthening the Foreign Ministry, it will be rather along lines designed to bring Japan's foreign policy more in line with militarist desires, than an adaption of military programmes to the necessities of the international political situation. Foreign opinion will not be changed merely because of a restatement of Japan's unshakable policies in China: it is more likely to be confirmed in what the Japanese must regard as heresies. On the basic fact of the onslaught on China the world has already passed judgment. It is unlikely that it will ever be reversed, and the real task with which General Ugaki is faced is to make the best out of a very bad job. If he succeeds he will justify the very great confidence that is felt in him in Japan: if he fails it will be no fault of his, but of the circumstances in which he has been called to office.

A KING'S BIRTHDAY

June 16.

Immediately on his succession in 1907, King Gustaf, whose birthday is being celebrated by Swedes today, showed that he had mastered the problems of the times and understood the change in the position of the Swedish monarchy which had actually taken place in consequence of the advance of democracy. The ten years preceding his accession to the throne had witnessed far-reaching alterations in the political life of the country. The extension of the franchise and the onward movement of the Left parties were the external signs of increasing political maturity and of the growing political and economic claims of the mass of the people. Really, a new era was being inaugurated. In accordance with the increasing prevalence of opinion as regards the vanity of outward pomp and of the need for equalizing power in the community the King decided to dispense with the coronation ceremony, which formerly had been the occasion of a display of great pomp and ceremony. For similar reasons he also diminished the pageant, for instance, at the opening of the Riksdag and other important occasions, and introduced, by way of setting a good example, greater simplicity in daily life. The King was not, however, spared great difficulties during the internal political contests which naturally occur during such times of transition as a result of fresh political and economic ideas spreading among the people. But the conflicts which several times seemed threatening were gradually smoothed out by constitutional means, thanks to wisdom and concessions based on the dependable experiences and firm organization of an old, well-established culture.

During the world war, when Sweden from the very first, and later on in spite of all difficulties, maintained a strict neutrality whatever else may have been imputed by any of the belligerent parties, King Gustaf played an important part especially in regard to the position of the three northern kingdoms Denmark, Norway and Sweden in the various stages of the war. Relations between Sweden and Norway had in the course of years generally improved and had even begun to develop into friendship, but between the two Royal Houses no *rapprochement* had taken place. In view of the great dangers that might threaten in case the three northern kingdoms—in accordance with certain predilections among the peoples and certain old connections, traditions and separate interests—should follow diverging courses in their policies under the pressure of the manifold political and economic complications, temptations, or more or less covert threats of the war, King Gustaf grasped the opportunity to remove the last remaining traces of the constitutional conflict with Norway, which had cost him the crown of that country. In December of 1914 he invited the Kings of Denmark and Norway to a meeting in Malmo, the capital of the southernmost province of Sweden. This was the celebrated Scandinavian Triple Royal meeting, in which the Prime Ministers and Foreign Ministers of the respective countries took part, and where during the years of war was inaugurated what was practically a common policy of neutrality and mutual economic assistance. This co-operation was continued and strengthened as the stress was increased through increasingly more vigorous warfare. During the later stages this policy called for still further development through bringing about a lack of commodities, and thereupon the three northern kingdoms were formed into one single area of production with a free and mutual exchange of commodities.

The Triple Royal meeting at Malmo was followed by another one at Oslo in 1917, where King Gustaf, publicly calling to mind that the disruption of the Union in 1905 had dealt a severe blow to the idea of Scandinavian unity, made an appeal for a new form of unity, and agreement between the three countries. "Let us form a fresh union," he said in a public speech, "not of the old kind, but a union of mutual understanding and of hearts, the vitality of which I trust will be more lasting than that of the former kind." With that he grasped the hands of the other two Kings, and his appeal was sealed before the nations by a silent promise. It is impossible fully to estimate the importance during the difficult times of the war-crisis of the co-operation thus initiated between the three countries. It is a certainty however, that it has reacted favourably to them all during the years after the war, and that the beneficient effect of these northern royal meetings will continue in the future. King Gustaf has with great acumen judged the political conditions of his country and the claims for political expression of modern developments, with the consequence that the foundations of constitutional monarchy in Sweden stand firm. The advance of democracy during this generation has certainly to some extent, and inevitably, circumscribed the royal prerogative, but no essential alterations have occurred. The new developments, influenced by the traditions and experience of centuries, have taken place without serious disturbances. After the war Socialist Governments have alternated with Conservative and Moderate Governments without any change in relation to the Monarchy. King Gustaf has reached his advanced years in perfect mental and bodily health. He has always been a lover of open-air games and is a good sportsman, which is mainly why he still retains his full vigour. As everybody knows, he is still a good tennis player, able to enter the field against younger, prominent opponents, and even defeat them. This is something to be proud of at 80 years of age, even for a king. To the local Swedes who today will be celebrating their King's birthday this journal offers the congratulations of its readers expressing the hope that His Majesty will have many more years in which to continue those fine services which he has unstintingly rendered his country.

AN AMBASSADOR TALKS

June 17.

Mr. Shigeru Yoshida, Japanese Ambassador to the Court of St. James, seems to have let the cat out of the bag by his recent statement on the subject of the bombing of Canton. When worldwide protests came to be heard against the destruction, death and mutilation wrought upon the population of the southern city, the Japanese explained that the aeroplanes were sent against military objectives and that there was no desire wantonly to bomb innocent civilians. That the explanation failed to carry with it much conviction was inevitable as the daily totals of the killed and wounded came to be known, and the impression was confirmed in many a mind that if the Japanese were indeed directing their efforts only against military objectives, their marksmanship was remarkably poor. On Tuesday five members of the China Campaign Committee in London formed a deputation to call upon Mr. Yoshida and protest against the bombings, and it was while addressing them that the Japanese Ambassador made remarks which will probably have an extensive repercussion. He appears to have covered the Japanese policy which led up to this undeclared war. The Japanese Government, he said "found it necessary to destroy the anti-Japanese movement in China." It had been hoped in the beginning that hostilities would be localized in the North, but the Japanese forces had reluctantly to go on to Shanghai, Nanking and now Canton. The Japanese, he declared did not want to bomb Canton, but the bombings were undertaken in order to demoralize the Chinese people, and prevent reinforcements being sent from Canton. Who now is correct? The Japanese spokesmen in Tokyo and China who have consistently claimed that the air-raids were directed against military objectives that Canton was not an open town, but a well defended one, or Mr. Yoshida who blandly admits that the intention behind the air-raids was to demoralize the Chinese people? There is a type of military thought which believes that by striking terror into the hearts of the enemy it is possible to bring about the speedy termination of a war.

It is even contended that this terror, because of its chances of quick success, is in fact the milder way of perpetrating war, that it is more merciful in that it swiftly brings peace again. Holders of this belief also believe that the aeroplane is the best weapon for achieving such desirable ends. They do not appear to have learned anything from what has been happening these two years in Spain, where despite the continual, merciless bombing of towns and innocent civilians, the Nationalist insurgents have not yet succeeded in striking terror into the hearts of the supporters of the Spanish Government. The rain of death from the aeroplane has not yet succeeded in breaking the morale of the republicans in Spain, and there is very little evidence to support the belief that it is likely to be any more successful in China. But the question of whether or not the air-raid against non-combatants is so successful as this school of thought would hold, is a minor one as compared with the more important matter of the reason for the raids on Canton. There is ample to support the Japanese military claims that Canton was not an open city but a lawful and proper military objective. Even when that is conceded, however, it does not get over the fact that thousands of people were killed or injured in spots so far away from the military points, that there was every justification for believing that sufficient care was not taken to limit the damage from bombing to those institutions and places which were the proper objects of attack. But Mr. Yoshida has torn away the last vestige of excuse which might still be advanced for what has been going on in Canton, and has declared in his official capacity that the air-raids were for the purpose of demoralizing the Chinese. Obviously the best way to do that is not to confine the attentions of the airmen to normal military objectives, but to spread death and destruction over as wide an area as possible. Mr. Yoshida has let a very ugly cat out of the bag, and there will probably be no opportunity of hiding the beast again.

It is a pity that the British clergy cannot be prevailed upon to keep quiet with reference to matters such as these. The action of the Archbishop of Canterbury in attending a meeting of protest, led to the secession of the Japanese church. The Archbishop apparently thought it was his duty to rebuke sin whenever and wherever he found it. Dr. Wilson, Bishop of Chelmsford, agrees that "the brutality of the Japanese has shocked us," but goes on to ask "is it not we who have distorted their view." He suggested that the line of action to take with Japan was not one of force but rather one to attempt and convince the Japanese that through their actions they were causing the world to lose faith in them. No statesman of any standing has suggested for one moment that Japan should be dealt with by force, and obstacles to doing so are so manifest that they require no reference here. It may be possible to convince Japan that she is losing the world's faith in herself, but it may very aptly be asked whether Japan is in any such frame of mind to permit that consideration having the slightest weight with her. If Mr. Yoshida's version of the matter is correct all the protests in the

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world will be unavailing. Dr. Wilson's general argument on the subject seems to have been that because other nations have done equally evil things there should be no condemnation of Japan. Such an argument comes perilously close to contending that two wrongs might make a right, or at least prevent any criticism because of the similar guilt of other people. His attitude is different from that of his Archbishop. The latter rebukes sin: the former appears to produce ground for condonation. Why he should do so in view of Mr. Yoshida's declaration is all the more surprising. Mr. Victor Gollancz speaking at the same meeting went much closer home when he described the Ambassador's statement as "one of the most terrible statements ever made by an Ambassador in a civilized country."

ADVANCE HALTED

June 18.

Attempts to estimate the importance of the Yellow River floods from the military point of view have been hampered by the statements of the two parties involved in the present hostilities, claiming on the one hand an important success through the instrument of one of nature's most terrible weapons, and on the other an abuse of the most elementary rights of humanity, whereby hundreds of thousands of innocent farmers have been made homeless and other thousands drowned. This journal has already made known its opinion on the justifiability of the opening of the Yellow River dykes in a war in which the very existence of the Chinese nation as an independent sovereign unit is at stake. Therefore there is no need to labour the point that, from the military view, the opening of the dykes was a drastic but helpful move. It only remains to deplore the conflict of the accusations made by both sides, placing the responsibility for the huge amount of suffering which much inevitably ensue upon the shoulders of their opponents in hyperbolic communiqués which recall regrettably the terminological inexactitudes of Matilda that made her friends "gasp and stretch their eyes." It is early yet for authoritative statements from neutral sources on the change brought about in the military situation by the Yellow River floods; but enough is already known for it to be said that Chengchow is saved—for the moment; that the Japanese advance on the Pinghan line south of Chengchow has been thwarted; and that an increasingly difficult problem has been set the strategists from Tokyo if they wish immediately to pursue their attack upon Hankow. The Japanese had cut the Pinghan line somewhere in the neighbourhood of Sincheng, by means of advanced mechanized units operating with very little solid support. And even this support has now been cut off by the waters of the Yellow River, so that neutral observers are inclined to credit the Chinese claim that the Japanese on the railway have now been withdrawn and that the whole line, south of the Yellow River, is again in Chinese hands.

So far can at present be gauged, the flooded area in Honan and Anhwei provinces extends from the Yellow River to a point on the Lunghai Railway a few miles to the east of Chengchow on the one side, and a few miles west of Kaifeng on the other. Neither one of these large cities seems as yet to have been directly affected. And only a number of comparatively small towns between them and to the south of them have suffered. This fact seems to diminish the importance of the Japanese claims of enormous human losses in the floods; since it is well known that a rural population can usually move in time to avoid advancing waters—provided it has not already moved to avoid advancing soldiery—and that heavy casualties in flood times are generally experienced in cities, where movement is necessarily more restricted and the inhabitants paradoxically are more deeply rooted. From the Lunghai Railway the flooded area, according to the same sources, extends southward as far as Fukow, while Changko, Yushih, and Chusienchen, to name only a few of the smaller centres, have been inundated. It is stated that the waters are steadily spreading southward, to the greater embarrassment of the Japanese who will find, if this happens, that the main highways leading from their present positions in central Anhwei towards Yencheng, which would seem to be their next logical objective if Chengchow has been made impossible, will also be closed. At present there is nothing more than Chinese official claims to support the statement that the floods are spreading southward with any speed. But the prospect of the Chinese canalling the flood waters southward into the streams and rivers which run near these highways to Yencheng is not overlooked; while the heavy rains which have fallen in central Anhwei during the last few days, as they have fallen here, will make it difficult, if not impossible, for the Japanese to advance as far as Yencheng while the highways are still open. If this is the case, it appears as if the opening of the Yellow River dykes has definitely blocked the Japanese attack on Hankow from the north—for the present, at least.

There remains a way open for attack on China's present political capital from the east—that narrow and somewhat precarious route along the north bank of the Yangtze. This attack has also, it is reported, been considerably hampered by the weather. The Japanese, however, are believed to be preparing for a drive on Matung Bluff, in the neighbourhood of which there is a Chinese boom which is, at the present level of the river, sufficient to prevent any naval campaign towards Hankow. The Chinese have not been blind to the importance of this boom and to the natural defences of the Matung Bluff. This bluff was formerly fortified with obsolete cannon and other defences which seemed, to the unprejudiced eye, to be admirably suited to the wars of the Three Kingdoms, but hardly adequate for a twentieth century "incident." It is understood, however, that modern field artillery has been brought up to the bluff, while troops are disposed in strong positions to resist any Japanese attack. A Japanese land attack, to clear away these troops, would be a prerequisite to any attempt to open the boom, which in itself might be a long task if the rising waters of the Yangtze do not render the boom of little value by making the depth of the water over it sufficient for the passing of small gunboats. Granted that the Japanese are able to overcome the difficulties of the Matung boom, however, and that their way is cleared for proceeding westwards towards Hankow, their operations may be extremely hard. Between the mountainous country of the interior north of the river and the Yangtze bank the terrain is low and narrow. Troops pushing forward over this terrain would be open to flanking movements which could only be nullified if there could be a simultaneous attack from the north—an attack, as has been seen, which is very unlikely in present conditions. The prophet is without honour wherever he opens his mouth, but nowhere is he less honoured than on the field of battle. Therefore these speculations on the next movements in the struggle for Hankow are given with reserve. As things appear at the moment, however, the risk taken in stating than Hankow seems safe for the next few months may be taken—the risk, that is to say, of attack from the land; the chances of attack from the air must be measured by a different standard, the raids on Canton and the uniform success of the Chinese air force in repelling raids on Hankow.

ON BACHELORDOM

June 20.

KUO SHENG HUNG's letter in yesterday's issue, concerning the small boy in a primary school, who when asked "Who is the happiest in the world?" replied with "A bachelor's life," and suggesting that the boy's father was probably the inspirer of the answer, is an interesting one. It may possibly give rise to much discussion, for all manner of strange speculations arise. Is Mr. Kuo right in assuming that the father gave the boy the answer? If he is, what sort of man can the father possibly be to let the cat out of the bag to his son, that marriage with his mother has not been roses, roses all the way? Or has the young stripling of twelve, watching the lives of his parents come to the conclusion that they must have been fools ever to have married? It is quite possible that the last is correct, for, if adults could understand the judgments of children on occasion, they would probably be surprised. A Chinese pupil of the age of 12 years may not have studied much foreign literature on the subject, but that would not prevent him acquiring a rough acquaintance with the subject from his own proverbs. Thus he would probably, quite early in his researches on the subject learn that "Nine out of ten matchmakers are liars" thereby conjuring up a pretty picture of how his father might have been cozened into marrying his mother. It would require no great amount of reading to learn that "A wife's long tongue is the staircase by which misfortunes ascend to the house." He might by close observance have realized the truth of another Chinese saying "Curse not your wife in the evening, or you will sleep alone," which seems to be a very materialistic version of the exhortation against letting the sun go down on one's anger, but when eventually he reads "A maiden marries to please her parents, a widow to please herself," he will completely realize how small a part man plays in the matter, and consequently need but little assistance to come to the conclusion which Mr. Kuo believes was inspired by the father. Later he may learn that "If heaven wishes to rain or your mother to remarry there is no way to stop them." On the subject of rain Shanghai is probably by now thoroughly convinced.

Of course when the lad gets older and can browse amongst the pages of foreign literature he will find that what his own writers have discovered has been learned in other countries. Lord Bacon, for example starts off well on the subject, but hedges after a while. Thus "A man finds himself seven years older the day after marriage," thereby tending to support the theory that married men do not live longer, but only seem to, while in his essay "Of Marriage and Single Life" he writes :—

> He that hath a wife and children hath given hostages to fortune: for they are impediments to great enterprise, either of virtue or mischief

Why he could not have said "He travels fastest who travels alone" it is difficult to understand, though it is perfectly clear that he had the "ball and chain" motive in his mind. Burton in the "Anatomy of Melancholy,"—so aptly named—finds that "Women wear the breeches," and that, of course, is not meant in any sartorial sense, either. Should the young Chinese lad wander into Spain he might learn how in the Spaniard's eyes there is no halfway house between success or failure in marriage for "The day you marry, 'tis either kill or cure," serving to indicate how desperate is this particular method of overcoming male loneliness. The French, Italians, Germans and the Netherlanders all agree that to "Marry in haste is to repent at leisure, but some deep philosopher has added to that "'Tis good to marry late or never," suggesting that, if the step must be taken at all, it should be put off as long as possible, thereby making married life seem shorter. But all the wise saws of the centuries, all the thinking of the world will not prevent men from tying knots with their tongues which they cannot undo even with their teeth, for coming back to the Chinese lad's own teachers "Beauty does not ensnare men: they ensnare themselves," and that unruly member, the tongue, helps them to their downfall.

There are some who seek to defend the institution of marriage by suggesting that the bachelor lives like a prince but dies like a dog, while the married man lives like a dog, but dies as a prince. The perfect cynic will remark that of the two he would prefer the former. He, like the Chinese youngster, sees the blithe freedom of the bachelor, the serving of not another's will, the happy, free existence of a "minstrel of the sky" to whom marriage is but a cage against the bars of which imprisoned Benedicks beat their wings in vain until death or the divorce court brings that liberty which the frustrated creatures are unable, or have forgotten how to enjoy. There are apparently people who enjoy married life, who can sing as did William Barnes

> Now voe I can zing on my business abrode
> Though storm do beat down on my poll,
> There's a wife brighten'd vire at the end of my road
> And her love, voe the jay o' my soul.

from which it would seem that a good warm fire after a cold day's work is about the summit of bliss which marriage can attain. Perhaps, after all, that small Chinese boy had heard the family talking. Human nature is such that it rarely gossips about happy marriages, though it rolls its tongue lovingly about those with any suggestion of disharmony, and he may thus have had the conclusion forced upon him that to ask a woman in marriage is asking for trouble. He may grow out of it in time. Of this, however, he may be certain, that if he lives long enough he will know the full signification of the cockney slang "storm and strife." But he will have learned it with so many other millions that it really does not matter in the scheme of things, and the only consolation he will find in life, is that which Gay, of "The Beggar's Opera" fame, found of marriage

> Wedlock, indeed, hath oft compared been
> To public feasts, where meet a public rout,
> Where they that are without would fain go in
> And they that are within would fain go out.

Emerson found it to be the same thing, so it must be correct, though this article seems after all to have been on marriage and only by inference on bachelordom.

A REASONABLE MOVE

June 21.

The wisdom of the policy followed by Mr. Neville Chamberlain with regard to Italy, which led to the recently reached accord, is being proved more and more convincingly as time goes on, and yet another such proof is to be found in the reports that Count Ciano, Italian Foreign Minister, has informally suggested that a study might be made of means to make the accord more immediately operative. It will be remembered that one of the important terms of the accord was the provision that it was to come into force upon the withdrawal of Italian volunteers from Spain. That has been delayed chiefly owing to the difficulty in obtaining any sort of decision out of the Non-Intervention Committee, and the importance which the Italian Government attach to the accord may be judged by its anxiety to accelerate its enforcement. The British view is reported to be that the first requisite to bring about the enforcement of the accord is the withdrawal of the Italian volunteers, which can only occur after the agreement of the Non-Intervention on foreign volunteers in Spain. It has been shown that for one reason or another it has not been possible to secure agreement, or at the least it is still being greatly delayed, and there is very considerable justice in the contention that the betterment of relations between Great Britain and Italy should not be made dependent upon the goodwill of other countries. That seems to be the Italian point of view, and there is much to support any move which is calculated to prevent the pact being shipwrecked on the Spanish situation. Count Ciano's step last week, therefore, is just that indication of Italian good faith in which the Prime Minister, defending his policy before the House of Commons, on the occasion of the resignation of Mr. Anthony Eden, expressed his firm belief. The Italian government would be well within its rights to await the ultimate settlement of the question of withdrawal by the Non-Intervention Committee before proceeding to implement the Anglo-Italian pact, and if it had decided to do so it could not possibly have been criticised.

The suggestion has been made that Italy could make a valuable contribution towards solving the problem by withdrawing the Italian volunteers from the front in Spain and maintaining them in camps, taking no further part in the hostilities. That would be tantamount to withdrawal, for the spirit of the idea would be realized by rendering those forces militarily ineffective so far as the Spanish rebellion is concerned. In any event it is the next best thing to complete withdrawal and should be accepted by the British Government in the spirit in which it is offered. It is bad international politics for two nations to have an unratified agreement between them, especially on so important a question as the restoration of friendly relations. It is even worse when that ratification is delayed by circumstances not entirely within the control of either of them, for it entails the substitution of conditional for unconditional policies, and permits the intervention of third parties who may view the rapprochement with disfavour for reasons of their own. The Italian proposal is to divorce the question of the withdrawal of Italian volunteers from the general question of the withdrawal of foreign volunteers as a whole, the matter which is engaging the attention of the Non-Intervention Committee, and involves such a number of conflicting interests that it is doubtful whether a decision will be arrived at before the Spanish civil war ends one way or the other. To leave the ratification of an important agreement such as this dependent upon so uncertain an event is to betray no particular political wisdom, but to give a display of rashness which must at all times prove disquieting. For these reasons it is clear that the Italian proposals should not only be welcomed but examined with the desire to make them operative as quickly as possible. Thus in making these suggestions Italy has placed the responsibility squarely upon British shoulders, and it would be a reversal of policy, and an unfortunate one at that, if they are not accepted in the spirit they are obviously meant.

There will undoubtedly be those who will contend that the Italian offer, in view of the fact that the insurgents have practically already won the war, is being given a spurious value. They will also contend that the presence of the volunteers in Spain would enable Italy to place them at General Franco's disposal in the event of that leader sustaining reverses. Such things are possible, but, with regard to the first, the Spanish civil war is not yet ended, and, with regard to the second, it is still imperative that Italian good faith should be taken for granted. The results for which Mr. Chamberlain is aiming may have the profoundest possible effect upon the future history of the world and the possibility of establishing a sounder peace than that which exists at present. Anglo-Italian friendship once restored, the way is left open for the British Prime Minister to seek a better understanding with Germany. His hand will be all the stronger for the success of these present conversations, for as Mr. Garvin rightly points out Anglo-German discord is at the root of the whole world's political perils and economic evils. It would be a magnificent contribution to the world's peace if the agreement now existing between London and Rome could be extended to embrace Berlin as well. The editor of "The Observer" makes the position quite plain. He demands that Great Britain shall follow a foreign policy unswayed by passion, that she shall continue to prevent the Spanish conflict from spreading beyond the Iberian peninsula, that events in China shall be carefully watched, etc. A successful British policy in Europe will lead to a stronger one in the Far East, and in the removal of preoccupations there are to be seen the best opportunities for an ultimate satisfactory solution of the grave problems which sooner or latter have to be faced in this part of the world. It is clear from what has happened in the recent past and what is happening now, that Mr. Chamberlain's trust in the motives of the Italian government has not been misplaced, and while in this matter the initiative has passed to Rome, this new phase should not for that reason be neglected.

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SHANGHAI NOTES

Shanghai Under Water

Shanghai has experienced many floods in recent years but none of the persistency of the present. For nearly a week there has been a constant downpour of rain giving doleful confirmation to the Chinese belief that we are in for a long spell, and the result has been large areas of the Settlement and the French Concession have been under water, curtailing traffic, preventing sporting activities and causing general inconvenience. The French Concession, especially around Avenue Joffre, has suffered worse than any other part of the foreign areas and it does not seem possible that there will be any subsiding of the floods for some days even if the rain stops, for the district has been so thoroughly saturated. Accustomed to these and other emergencies of a man-made character, Shanghai has philosophically accommodated itself to the disabilities created by this unusual deluge and perhaps in the near future the authorities may have an opportunity once again to study the flood problem which has not yet been generally solved in spite of all sorts of schemes for increasing the levels of the roads. The Bund and the Central district have proved an exception and one of the highly satisfactory features has been the relative freedom of this area from inundation. Up to a few years ago there was a recurrence of serious floods which did considerable damage to the basements of buildings in the Central district and it was not until a comprehensive scheme to increase the height of road levels, coupled with the installation of a pumping system, that the evil was overcome. Convincing evidence of the success of this scheme has been provided during the last few days for which the Public Works Department is to be congratulated.

Japanese in Shanghai

During the last few weeks there has been a great improvement in the relationships between the Japanese army and the foreign communities in Shanghai. There has been a decrease in the incidents involving Japanese military control and the rights of other nationals residing in an international area. Mr. Neville Chamberlain, the British Prime Minister, had occasion a few days ago to refer to this happier state of affairs, but while from an international point of view this condition exists, it is a pity that on a simple question of traffic regulations this statement cannot be said to apply. Large convoys of troops and supplies pass through the International Settlement daily, especially along The Bund, which is a main supply route to Japanese forces in Nantao and beyond, but it cannot be said that any improvement has been effected in this respect. Traffic lights, rules of the road, heed for other people on the road still seem to be of little importance to Japanese military motor lorry drivers passing between Hongkew and Nantao. Daily instances of absolute disregard are too frequent to be mentioned but they are developing a sense among other people that: "Here come the Japanese. Better stop because nobody knows what they are going to do or which way they are going to pass." On Sunday about noon there was flagrant disregard for traffic regulations on The Bund. A long column appeared from Nantao, via the French Concession, and while tramcars were passing both ways this columns split up and passed them on both sides of the road not only hazarding other traffic but also their own in this mad effort to cover the Bund in the shortest possible time. Tram drivers, not knowing what to do, immediately drew up while the Japanese column passed fortunately without accident on its way to Hongkew. If the intention of these military drivers is to become involved in serious consequences they are proceeding along the proper lines, but, as this journal has pointed out time and time again, it is no part of the wishes of the Japanese higher command that such an intention has official approbation. The question then is posed: Is there any degree of discipline enforceable to check this state of affairs? Motor car owners in the Settlement are faced with a demand to pay a ten per cent. increase on their licences, but they are legitimately entitled to complain against these constant violations by Japanese military drivers. And the less affluent resident, riding in a rickshaw, will add his support to the complaint.

The Peace-feeler

During the weekend the Peiping Provisional Government issued what is believed to be a peace-feeler in the shape of a statement on the horrors of war, contending that it will take a century to recover from them, and appealing to the Hankow leaders, including Generalissimo Chiang Kai-shek to acknowledge defeat, assuring them that posterity would forgive them if they did. It was to be anticipated that some such development would occur following the breaching of the Yellow River dykes and the general hold up of the Japanese advance upon Hankow and the consequent change in their plans. No one, who realizes in the slightest degree the appalling misery and suffering which has been and is being inflicted upon millions of innocent Chinese, will fail to sympathize with any appeal for peace, and common humanity would seem to demand that even such an appeal as this should be given heed. That the Peiping Provisional Government, a creature of the Japanese Army in China, should make such an appeal at this juncture is highly significant, for it will not be believed that it was issued without the consent of the Japanese advisers to that Government, if not upon their instructions. During this past week the Hankow Government has given the most striking proof of its intention to fight to the bitter end by the cutting of the Yellow River dykes. It was a terrible decision to make, but the very fact it was taken is indicative of the sternness with which the Kuomintang is determined to resist the Japanese invasion. At an appalling cost the Japanese march across the plains of Honan and Anhwei on Hankow has been held up for some months to come. Statements by the Hankow government that even the fall of its present seat will not mean the end of the struggle has been emphasized by this latest development, and whatever hopes the Japanese may have had for a comparatively early termination of the hostilities must by now have been remarkably shaken. The strength of Chiang Kai-shek's position is in the fact that nothing has happened in the fighting yet which has not been already foretold. There has been no unexpected Japanese victory, nor any decisive defeat administered to the Chinese armies in the field. For their part the Chinese leaders have always maintained their belief in the doctrine that while their armies might be defeated, in the field, the process of attrition would ultimately win the campaign for them. The appeal from Peiping gives some indication of uneasiness in the minds of the Japanese, for it is undoubtedly in their interests to bring the whole of this sorry business to a swift end, a view with which Hankow at the moment certainly does not agree.

BY SAPAJOU

"The Rain, It Raineth Every Day !"

Rural Rehabilitation

Too much attention cannot be drawn to the urgency of rural rehabilitation in this province in view of the grave possibility of a famine in the coming months. In normal times, the population of Kiangsu was about 34,000,000, of which probably a quarter were concentrated in the principal cities such as Shanghai, Nanking, Wusih, Soochow and other places where mills and factories provided employment facilities for country labour drifting to town. That left a large agricultural population producing food not only for its own needs but providing a surplus to feed the millions concentrated in the towns. It is impossible to estimate the present population of this important and formerly thriving province owing to the redistribution of the people caused by the hostilities, but it presents a food problem of some magnitude when consideration is taken of destruction which vital areas have suffered since last August. With the removal of hostilities from this province to other parts of the country the opportunity is at hand to initiate some bold and comprehensive scheme of rehabilitation and to assist and encourage the millions of farmers to get back on the land for conditions reported by foreigners who have been able to make the brief trips permissable under the present Japanese system of control are far from bright. North of the Yangtze is not so bad because it has been barely affected by military operations and, consequently, there is a food surplus on which Shanghai is drawing liberally at the present time. South of the Yangtze the picture is much less encouraging. Contrasting with the busy panorama of husbandry seen between Shanghai and Nanking on a train journey in normal times the present scene is tragic in its depression. Between Nanking and Chinkiang, travellers report, is cheerful but along the rest of the journey to Shanghai the countryside is bare and empty and the familiar sight of the blue-clad farmer in the field, the symbol of China's Good Earth, is strangely lacking. As for buffaloes, the homely but absolutely essential adjunct of the Chinese farmers, can be counted from the carriage window. Where there were thousands there are now only tens. The wheat crop seems to have been utilized but rice is the problem, for without labour it is impossible for the farmer to do his planting under the conditions which this grain demands. Between Quinsan and Shanghai, which bore the brunt of the fighting, the scene is like a desert with the "scorched earth" policy visible in its most devastating application. The situation is black but not hopeless for the marvellous recuperative powers of the Chinese farmer against calamities, natural or artificial, are a factor of prime importance but there must be encouragement to permit fulfilment. This is the opportunity which the responsible authorities should seize and develop.

Silk Road to China

Amidst the tragedies and shattered hopes of the present situation in China, it is pleasant to discover that cultural and exploration topics have not been submerged by the hostilities. Writing in "Discovery," Dr. Sven Hedin, the famous Swedish explorer, describes the fascinating work recently concluded in rediscovering the silk road to China, a project which has baffled investigators even as far back as the early Romans. Ignoring the transitory character of the conflict and looking to the promise of the future which centuries of Chinese history have solidified, Dr. Hedin describes this longest, oldest and best known road on earth which passes through cities whose names conjure up beautiful romance and ring resonantly in the ear. From Sian, it runs via Lanchow, Liangchow, Tunghwang to Kashgar, and Ferghana Samarkand, Iran and Baghdad, through the Syrian Desert and Asia Minor to Angora and Istanbul (Constantinople.) What a gigantic and marvellous project would it be to restore it for it would link east and west in one long road:

> The Westerner who likes to take long automobile trips would surely get his fill on this road. The distance from Shanghai to the Atlantic in a straight line is 6,600 miles; the road, with its curves, is about 9,000 miles. It would give the traveller the most interesting and wonderful motor trip on earth. Every day he would meet new and picturesque scenes of humming life in the cities of China, the magnificent desolation of the Gobi Desert, the Mongolian nomads with their herds...the sand dunes, the ruins of old cities, the new lake Lop-Nor, the new river Kumdarya, the oases of East Turkestan, Tamerlane, Samarkand, and the whole splendour of the Persian architectural creations praised by poets.

A motor highway from Shanghai to Bremen or Boulogne, via the old silk road, would become a new link of communication, a new means of co-operation, of understanding and of peace between the two continents, Asia and Europe, Dr. Hedin observes. It would be a link between two races, two religions, Buddhism and Christianity, two oceans, the Pacific and the Atlantic, and between two worlds, the Orient and the Occident. It is a beautiful dream, too beautiful to be contrasted against the present warlike position of the world, but it could be realized by men who could build the Great Wall or dig the Panama Canal.

From the Daily News Ads.

Mr. E. Levin has been appointed sales manager of Reliance Motors, Inc.

The fifty-third annual general meeting of Kelly & Walsh, Ltd., will be held on June 29.

The annual general meeting of the Tanah Merah Estates (1916) Ltd. will be held on July 6.

All Municipal licence and other fees will be subject to a surcharge of 10 per cent. as from July 1.

The annual general meeting of the International Assurance Co., Ltd. will be held on June 27.

The Public Library at Shanghai is removing to new premises at the Glen Line Building, 2 Peking Road.

The Asbury Academy, 47 Great Western Road, Shanghai, announces a special summer school term embracing courses in all academic subjects.

The price of butter sold in Shanghai has been increased by another 45 cents per pound, making the price of best grade butter $2.65 per pound.

Mr. C. A. Momber having relinquished the post of Secretary of Shanghai Dockyards, Ltd., Mr. A. G. Rutherford has been appointed Acting Secretary.

Wanted, licensed chief engineer and second officer for ocean going vessel. Immediate engagement. Only Britons need apply. Address Box 3658, NCDN.

The St. Giles British School, Tsingtao, opens its summer school from July 4 to September 4, during which period both girls and boys will be accepted as day scholars or as boarders.

Any claim against the estate of the deceased Norwegian subject, Jon Oestboe of Shanghai, must be lodged with the Norwegian Consulate-General at Shanghai not later than July 15.

Persons having claims against the estate of James Henry Poynton Cropley who died on October 29, 1921, are requested to send particulars to Messrs. Ellis & Hays, 137 Peking Road, Shanghai.

The name of the International Industrial Corporation Limited will, unless cause is shewn to the contrary, be struck off the Register of British Companies in China and the Company dissolved.

Foreigner, mechanical engineer, 20 years' experience in installation and management of machinery construction plants, flour mills and woodworking mills, open for engagement. Address Box 3443, NCDN.

Persons having claims against the estate of the late Capt. Percy Yoshida Angus, who died at Shanghai on June 5, 1938, are requested to send particulars to Mr. Ranald G. McDonald, 169 Yuen Ming Yuen Road, Shanghai.

Effective from June 26, 1938 passage rates from China Ports will be subject to increases. As an example, the rate from Shanghai to Hongkong will be increased to $110 for express class, and to Weihaiwei to $90 for the same class.

Experienced British salesman seeks employment on salary and commission basis. Excellent connections. Capable of organising and taking charge of sales, offering satisfactory results. Willing to travel. Address Box 3518, NCDN.

Portuguese, 38, desires position any capacity. Over 15 years experience in imports, exports, shipping and banking. Capable handling whole department, speaks local dialect and has good connections. References furnishable. Moderate salary. Outport no objection. Address Box 3483, NCDN.

The Shanghai Directory, the July edition of the China Hong List, will be published in a few days' time. This popular directory of Shanghai has been completely revised and brought up-to-date. The price remains the same as in former years, $6 per copy. It is published by the North-China Daily News & Herald Ltd., 17 The Bund, Shanghai.

The North-China Daily News can be mailed to you in China and Japan every day of the week for $16 a half-year; the *North-China Herald* costs you $18 a year. Important events happen quickly both in China and abroad, so quickly that few residents in the Far East can afford to wait a week for the news. A note to the Secretary of the *North-China Daily News* asking for a sample copy incurs no obligation and will be appreciated.

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NEWS FROM THE INTERIOR

Yellow River Floods

Japanese Troops in Area Believed to Have Escaped Floods by Moving South

Kaifeng, June 14.

A SEA of swirling yellow water today covered battlefields along the Lunghai Railway east of Chengchow; submerging roads, countryside and whole villages near Chungmow, according to reports reaching here today.

Dikes along the Yellow River for a distance of 200 metres were destroyed at Sanliuchai, the reports claimed.

Many Chinese peasants who escaped with their lives from the war zones were not so fortunate in surviving the waters and scores were drowned, while countless others lost their homes, the messages said.

Japanese soldiers which had been operating in the area recently were believed to have escaped the flood waters by veering southward, but definite information regarding their movements was not given out by military authorities.—Domei.

Peiping, June 14.

The Japanese admit that breaches in the Yellow River dykes above the Lunghai Railway between Chengchow and Kaifeng are causing serious floods, holding up their advance towards Chengchow. There are many such breaches, it is stated, some of which are as much as 12½ yards in width.

The Japanese state that they are making every possible effort to repair them. They claim that they are being assisted in this repair work by thousands of farmers, who are threatened with ruin as a result of the floods.

The flood water is stated to be pouring rapidly towards the Lunghai Railway. Fighting east of Chengchow has ceased owing to the floods. —Reuter.

Floods East of Chengchow

Hankow, June 14.

Rushing steadily onwards, the Yellow River flood waters have now passed Chungmou and Paisha, situated on the Lunghai Railway east of Chengchow, according to Chinese reports from the flood areas.

The waters are said to be deepest north of Chungmou, being only two to three feet deep south of the railway.—Reuter.

Floods Move South-east

Hankow, June 15.

The flood waters of the Yellow River, which crossed the Lunghai Railway on Sunday, have now entered the Chialu River, flowing south-eastward into the Hwai River, in Anhwei province, according to Chinese despatches from Chengchow.

The level of the flood waters is said to be high at Kaifeng, where the Japanese are said to have closed all city gates to prevent the city from being flooded.

In most places, however, the flood waters are stated to be only about three to four feet high, so that Japanese casualties due to the flood are believed to be very small, but Japanese artillery and mechanized units are said to have been rendered useless.

Closure of the breaks in the Yellow River dykes is believed to be impossible for several months, at least not until the water recedes in the winter.

On the other hand, many observers are of the opinion that the present flood may solve China's centuries-old problem of allowing the Yellow River to find its natural course, since the present course, is artificially maintained, with the river bed higher than cities along its course.

Cities along the river are at present comparatively deserted as a result of the war, and this state of affairs, it is stated, affords an excellent chance for the river to find its natural course without causing a terrible death toll.—Reuter.

Joint Aid Given

Shanghai, June 16.

Nationality barriers were laid aside in the flooded plains of northern Honan yesterday as mankind wrote another chapter in its age-long battle against nature.

Chinese aided Japanese soldiers in bringing succour to the 300,000 farmers driven from their homes by the waters of the Yellow River pouring into the lowlands near Chungmow, halfway between Kaifeng and Chengchow, Domei dispatches reaching here said.

Westerners organized themselves into volunteer workers to deal with the sudden influx of frightened, destitute refugees into the already overcrowded capital of Honan.

Rescue squads built 150 rafts to search for survivors.

With rain pelting down pitilessly on the makeshift rafts, Japanese soldiers went about rescueing Chinese peasants marooned on heights or trees.

Under fire from Chinese on the opposite bank, Japanese engineer detachments yesterday reached the breaks in the embankments and immediately began the difficult task of filling the breaches.

In the meantime, other Japanese units temporarily laid aside their grim wartime duties to strengthen various secondary defences against the flood.

Many on Railway Embankment

Of particular importance among these was the Lunghai Railway, which is built on a high ground. Thousands of refugees were huddled on the right of way.

The inundated area, covering approximately 450 square kilometres, was yesterday about 20 kilometres in circumference with Chungmow in its centre. In some places the water was said to be 14 feet deep.

More than 300,000 persons were estimated to have been driven away from their homes and 10,000 are believed to have lost their lives. Several hamlets have been totally engulfed.

Eighty Occidental missionaries, representing various creeds, yesterday organized an emergency committee to assist the refugees. In addition to making arrangements for housing and feeding Chinese driven from their homes, they will also seek to stem the flow of the water.

Japanese engineers were attempting to divert the flood into the Ying and Luku rivers.

Cause of Floods Disputed

Chinese allegations that the floods were caused by damage inflicted upon the Yellow River dykes by Japanese shelling and bombing were described as "preposterous" by a Japanese Army spokesman in Shanghai last night.

The breaches, the spokesman charged, were made by the Chinese military, who, he said, "invoked the aid of nature when their strength failed them in stemming the Japanese advance."

The flooding of an area, the spokesman continued, was traditionally a "defensive move." While the flooding of the Chengchow area had necessitated a change in the plans of the Japanese army, resultant losses were "not large," he claimed.

Honan Plain Threatened

The water is cascading down a three foot drop, spreading over a width of six kilometres across the flat, sandy plain of northern Honan.

Thousands of Chinese farmers than the Japanese could ever be jeopardized "by this act of their own countrymen," he stated.

The spokesman bitterly criticize the breaking of the embankment, pointing out that "more civilian lives than the Japanese could ever jeopardize by bombing" had been placed in immediate danger.

Kaifeng Appears Safe

The flood was flowing towards Chusenchen, 20 kilometres south-east of Kaifeng, and, Yuishih, 45 kilometres south-east of the Honan provincial capital, Kaifeng, the spokesman intimated, appeared to be safe.

Japanese engineers, assisted by thousands of anxious Chinese, were attempting to stem the spread of the water, but were hampered in their efforts by Chinese soldiery, who fired on working parties, he stated.

The major breach, the spokesman continued, was at Sanliuchai, halfway between Kaifeng and Chengchow, while another breach had apparently been made at Kingsuichen, directly north of Kaifeng.

"While it is true that this flood has caused inconvenience to the Japanese military operations, it has only served in cutting one route along which the Japanese intended to advance," the spokesman said.

Not Taken by Surprise

The Japanese command, he claimed, had not been taken by surprise. Counter-measures had already been taken, the spokesman asserted.

Chinese charges that the breaches had been caused by Japanese shelling were emphatically denied by the spokesman, Japanese forces, he declared, had not approached the points where the breaches in the embankments had been made.

Continued rains, coupled with the seasonal rise in the Yellow River, were hampering Japanese efforts to stem the floods caused by the breaches in the embankments, Kaifeng dispatches said yesterday.

Little hope was held that the gap would be closed as Japanese engineers were prevented by Chinese soldiers from approaching the area where the breach was made, the reports said.

The breach at Kiangsuchen, north of Chengchow, had "backfired" on the Chinese, whose positions were under several feet of water, aerial observation was reported to have shown.

Major Catastrophe Feared

Shanghai, June 17.

Threatened by the greatest Yellow River catastrophe since 1855, when "China's Sorrow" dramatically changed its course, thousands of frightened Chinese in north Honan yesterday anxiously scanned the skies for harbingers of sunshine.

Upon the weather conditions of the next 48 hours, Domei dispatches from Kaifeng said, depends the fate of thousands of Chinese lives and a wide expanse of fertile soil.

The flood, caused by the breaching of the Yellow River embankments, yesterday morning covered an estimated area of 1,600 square kilometres. From Kingshuichen, directly north of Chengchow, the flooded area extended to the south-east to Paishachen on the Lunghai railway, thence to Chungmow in the east to Chusenchen, Yushih and Fukow, south-east of Kaifeng. The farthest distance reached by the waters south of the Yellow River was about 100 kilometres. The maximum width of this strip under water was between 16 to 20 kilometres.

Chungmow, halfway between Kaifeng and Chengchow, Yushih and Fukow were entirely surrounded by water, varying in depth from two to eight feet.

The rise of the water at various points came to a stop on Wednesday, a slight fall being noted at night as Japanese engineers, assisted by thousands of anxious Chinese farmers, succeded in placing makeshift barriers across the path of the flood.

Japanese engineer officers, directing the flood fighting operations, were confident that the water could be stopped if the Yellow River did not show a rise in the next 48 hours.

Rain in the immediate vicinity of the breached embankments or further upriver, however, would make human efforts to stem the flood hopeless, leaving the way for a major catastrophe, they said.

River May Be Joined

In such an event, these officers believed, the Yellow River would seek a new course, probably south of its ancient bed which had an outlet at Haichow.

Lake Hungtze, lying halfway between the Tientsin-Pukow railway and the sea was believed to be likely to become part of the Yellow River should a major flood occur.

The possibility that the Yangtze and the Yellow River would be joined by a vast lake was also foreseen by engineers who pointed out that, once loosened, the flood waters would flow into the Kialu River, which in turn would empty into the Hwai River to seek an outlet in the Hungtze and Kaoyu lakes in northern Kiangsu.

In this eventuality, the major portions of Honan, Anhwei and Honan provinces would be under water.

The Yangtze and the Yellow Rivers were connected by a body of inland water in the thirteenth, fourteenth, and nineteenth centuries.

Air Force Assists

While the Japanese army called upon its air force to assist in stemming the progress of the turgid waters of the Yellow River, the flood yesterday spread relentlessly over the flat plains of northern Honan to cover 600 square kilometres.

Two thousand villages, with an aggregate population of 500,000, were affected. Loss of life among Chinese farmers was expected to exceed the 50,000 mark, Domei dispatches from Kaifeng said.

With special receptacles packed with gunny bags—which normally would be used for the construction of sand-bag emplacements—taking the place of death-dealing bombs, twin-engined Japanese bombers roared above the breached embankments where isolated Japanese engineer units, assisted by Chinese farmers, were fighting against time and nature to fill in the gaps.

When released from the low-flying craft, the parachute-equipped receptacles floated gracefully towards the ground. An occasional burst of machine-gun fire from the northern shore indicated the presence of Chinese troops.

As soon as they hit the ground, the receptacles were promptly unpacked, the bags filled with earth and rushed to the nearest breach.

Tools and food were also being dropped from these planes.

The width of the flooded area yesterday exceeded ten kilometres, while its length was estimated to run to about 60 kilometres.

Efforts to rescue marooned victims of the flood continued.

Forewarned of the breaching of the dykes by its "eyes" aloft, the Japanese army did not suffer any losses directly attributable to the flood, official dispatches claimed.

Further Destruction in North

In the meantime, Chinese forces were reported from Shichiachwang to be resorting to further destruction along embankments in north-western Honan, on the northern bank of the Yellow River.

Tsinyang, 80 kilometres north-west of Chengchow, where the Shansi hills join the plain of Honan, was reported being threatened by a flood caused by the breaching of the Tsai river by Chinese troops.

While the outskirts of the town were under water, the Japanese garrison had taken measures to prevent the central part of Tsinyang from being affected.

A similar threat was being felt at Menghsien, near the famous ford across the Yellow River, and at Wenhsien, 30 kilometres to the east. Breaches in the embankments of Yellow River tributaries had been made at these two points, the reports said.

Floods Spread Widely

Hankow, June 16.

No details concerning the situation in the flooded area were available here yesterday, but it is stated that the floods have assumed gigantic dimensions. The water is reported to have reached Yenling on the Peiping-Hankow railway, some 20 miles north-east of Hsuechang, which means that the floods have already advanced nearly 60 miles.

Reports received here assert that Japanese detachments in the neighbourhood of Kaifeng are retreating in an easterly direction.

Chinese military circles point out that the floods have completely modified the strategic situation since the Japanese, it is asserted, have been compelled provisionally to abandon their advance in the plain of Honan. —Trans-Ocean.

Half a Million Homeless

Peiping, June 17.

More than half a million persons have been forced to flee from their homes in the flood area, where only the roofs of thousands of farmsteads are visible. The flood waters have washed away the Lunghai Railway embankment in five places, and two long sections of the line are submerged.

The leading edge of the floods, 40 miles south of Kaifeng, is flowing over 300 yards an hour. Japanese army leaders declared today that more than half the bank of the dykes, which had since been breached, had been cut away in 20 places three months ago in readiness to be blown up when the Chinese retreated from the zone on June 11. They said that Japanese engineers, who attempted to repair the damage, were fired on by machineguns and artillery and were forced to withdraw.

The flood waters are widening into a strength of between eight and ten miles and are flowing towards the south-east between Chengchow and Kaifeng.—Reuter.

Honan Suffers

Shanghai, June 18.

With 2,000 North Honan villages under water, 700,000 destitute Chinese farmers yesterday sought safety from the relentlessly spreading flood waters from the breached embankments of the Yellow River.

Japanese Army engineers, battling the flow, estimated that 2,325 square kilometres had been inundated by daybreak yesterday. On Thursday, the flooded area covered 1,600 square kilometres.

Fears of mounting casualties among the Chinese peasantry increased in Kaifeng yesterday, as an additional 1,[illegible] villages and hamlets were reported being gradually swallowed by the rising waters, Domei reports said.

Conservative estimates placed the number of refugees under the care of the Japanese army in various towns at 200,000, these dispatches added.

Marooned villagers—hungry, cold and thirsty—in spite of the vast quantity of water around them, were relying upon the bark of trees for sustenance.

Aircraft Drop Food

Japanese army aircraft continued to fly over the flooded areas on errands of mercy, dropping food to Chinese farmers who had sought refuge on hills.

A Domei correspondent, flying above the flooded area, reported seeing the Lunghai line submerged at various points.

Marooned hamlets were visible scattered irregularly in a sea of yellow, muddy water. Sampans, manned by Japanese soldiers, were seen plying from village to village picking up stranded people who had scurried to their thatched rooftops for safety.

Japanese troops garrisoning various towns in the flooded area were experiencing difficulty in moving to safe places and were gradually feeling a shortage of food, officers in Kaifeng were reported admitting.

Aeroplanes were being widely used to transport concentrated food and tools necessary for flood fighting.

Effects Uncertain

London, June 16.

"It is still difficult to gauge the effect of the Yellow River floods on Japanese strategy, and the Chinese defence," declares "The Times" in a leader on the floods today.

The Japanese, the journal goes on to say, are now unable to reach Chengchow.

"It must be admitted," continues the newspaper, "that they are unlikely to have been primarily responsible for breaching the dykes, and thus delaying their own progress."

"The undeclared war looks like dragging on for many months," "The Times" states, "and one inspired Japanese newspaper suggests that the expense, and the duration of the struggle, are beginning to tell on the nerves of Japanese politicians.

"They cannot forget that one of the results of the China campaign, which was nominally undertaken with the object of detaching China from the League of Nations, has been the ruin of a vast amount of constructive work which the Chinese Republic had undertaken, with the aid of the League's technical experts."—Reuter.

Colossal Flood Havoc Predicted

Hankow, June 18.

"The present Yellow River flood threatens to become the worst flood disaster in Chinese history," said the spokesman of the Yellow River Conservancy Board today.

"The Yellow River," he continued, "attains its highest level in early August, when the flow reaches 20,000 cubic metres a second, while the present flow is only from 4,000 to 5,000 cubic metres a second. The present water level is still 1½ metres below the record mark. The extent of the flood can be imagined when August comes," the spokesman went on. "At present," he revealed, "the Yellow River flood waters flow into the Chialu River and then into the Yin River. When the river level rises, however, it will probably also flow from Kaifeng into the Ko River, via the Huichi River. The Yin and Ko Rivers are all tributaries of the Hwai River, and both meet at Hwaiyuan, north-west of Pengpu. The flood waters will pour into Hungtseh Lake, at Wuhohsien, then enter the Yangtze River, via the Grand Canal," the spokesman said. "The Yellow River flood," he predicted, "will affect north-east Honan, north Kiangsu and north Anhwei provinces. All the Hwai River districts will be affected. This joining of the Yellow, Hwai and Yangtze Rivers may cause one of the worst flood disasters in Chinese history," he concluded. —Reuter.

Tsinho River Flood Prevented

Shihchiachwang, June 20.

Urgent measures carried out by Japanese army engineers with the co-operation of Chinese farmers prevented a flood along the Tsinho River, a Yellow River tributary in north-western Honan, during the past few days.

Swollen by continued rainfall for a week, the Tsinho broke through its dykes in several places and threatened to engulf Hwaiking, Menghsien and Wenhsien. The Japanese engineers and Chinese peasants succeeded in repairing the holes in the dykes before the water had spread far.

The river began to recede yesterday and the districts adjacent to it were relieved of a flood menace, reports reaching here said. Japanese troops are continuing their rescue work among the flood victims of the Yellow River.—Domei.

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Japanese Yangtze Fleet Bombed

Four Warships Claimed to Have Been Sunk at Anking; Yangtze Begins to Flood

Hankow, June 19.

AT least four Japanese warships were sunk by Chinese aircraft this afternoon near Anking, about 100 miles up river from Wuhu, according to an announcement made today by Chinese Aviation Headquarters. Upon receipt of information that good weather conditions were prevailing down river, it is stated, eight Chinese heavy bombers took off in two flights to attack Japanese ships on the Yangtze. Although the raiders are said to have sighted several Japanese warships at Tungliu, about 20 miles upriver from Anking, they decided to bomb Japanese warships at Anking itself, stated by the Chinese Aviation Headquarters to number fifty.

At a height of three thousand metres, it is claimed, the Chinese 'planes "heavily bombed" Japanese craft below. Four warships are reported to have been sunk, and one badly damaged.

The Chinese bombers are stated to have been engaged by twelve Japanese pursuit 'planes, which were circling above to protect the warships. "Due to their greater speed," Chinese reports state, "the Chinese 'planes quickly got away, and all returned safely to their base." Chinese circles here are elated over the alleged success of the bombing operations.

Waist Deep In Water

A small Japanese detachment landed this morning at Tikang, west of Wuhu, stated the Chinese military spokesman today. "They were quickly repulsed by the Chinese," the spokesman went on to say.

Dispatches from the Yangtze front pay tribute to the Chinese soldiers defending the south bank of the river, where troops are said to be standing "waist deep in water," as the Yangtze is at present inundating the south bank near Kweichih, about thirty miles from Anking.

The Chinese troops were said by the spokesman to be "stubbornly resisting" the landing of the Japanese forces, "despite a terrific bombardment from aeroplanes and warships."—Reuter.

Yangtze Starts to Flood

Tokyo, June 19.

The rising waters of the Yangtze today threatened to pour over Hankow, already facing the menace of invasion by Japanese troops.

Nationalist Government leaders, immersed in the difficult task of evacuating women and children to interior places of safety in preparation for the Japanese assault, were struck with consternation by the news that the Yangtze is sweeping over Kiukiang to the east, according to reports received here late tonight from Nanking.

The Yangtze is rising steadily, because of heavy rains and Hankow is exposed to a serious danger of inundation, the reports said. One-third of Kiukiang already has been covered by the Yangtze waters. Kiukiang is located about 180 kilometres east of Hankow.

A report from Japanese military commanders in the Lunghai sector tonight stated that traffic between Lanfeng and Kaifeng, west of Hsuchow, has been completely restored. Repairs were completed by the Saruya and Itami engineer corps. Restoration of traffic between the two points was regarded as a heavy blow to the Chinese forces in the Lunghai area.

Meanwhile, Japanese troops, engineers and Chinese farmers continued their strenuous efforts to fill up the gaps in the Yellow River banks in Honan to harness the rampaging waters which have rolled over 2,000 villages and robbed half a million persons of their homes.—Domei.

Hwai Ho Opened by Japanese

Shanghai, June 14.

After months of work by the Oda detachment of Japanese infantry, the Hwai River linking Pengpu on the Tientsin-Pukow Railway with Chengyangkwan in western Anhwei, a distance of 180 kilometres, has again become navigable, the "Nippo" said yesterday.

The reopening of this waterway will play an important part in the further operations of Japanese troops in the interior, the paper said.

Japanese troops can attack Sinyang on the Peiping-Hankow Railway north of Hankow by water via Sanhotsien, 105 kilometres northwest of Chengyangkwan, and Sihsien, 210 kilometres south-west of Sanhotsien, the "Nippo" declared.

The distance between Sihsien and Sinyang is 160 kilometres, while the total length of the river from Pengpu to Sinyang is 655 kilometres, the journal pointed out.

From Chengyangkwan, the daily continued, Japanese troops can advance by water to. Yencheng on the Peiping-Hankow Railway south of Chengchow by way of Yingchow (Fowyang), 95 kilometres northwest of Chengyangkwan, and to Choukiakow, 260 kilometres northwest of Yingchow.

Distance between Chowkiakow and Yencheng is 80 kilometres, while the total distance from Chengyangkwan to Yencheng is 325 kilometres.

Shipping Firms and Flood Damage

Hankow, June 19.

In view of the continued rise in the level of the Yangtze River, a joint announcement has been published by Chinese and foreign steamship companies here stating they will not be responsible for damage suffered by goods in their godowns as a result of flood.

The announcement was issued by the China Merchants Steam Navigation Company, Butterfield and Swire, Jardine Matheson and Company, the San Peh Steamship Company and the Ningshao Steamship Company.—Reuter.

Guerillas Surrounded

Peiping, June 20.

Enveloped by Japanese columns, Chinese guerillas in the armies of Gen. Shih Yu-shan and Gen. Tsao Fu-lin are threatened by "annihilation" near Mengcheng in northwestern Anhwei and Tsohsien in south-western Shantung, according to field dispatches reaching here today.

These Chinese guerillas retreated into remoter districts after the capture of Hsuchow. It was reported that Gen. Chiang Kai-shek ordered Generals Shih and Tsao to resume guerilla warfare behind the Japanese lines in an effort to cut the Tientsin-Pukow Railway now controlled by the Japanese.

Mengcheng, south-west of Hsuchow, was captured in the middle of May by Japanese columns advancing on Hsuchow after one of the bloodiest battles of the Lunghai campaign. It was evacuated by the Japanese soon afterward as the field of operations shifted to the west.—Domei.

Guerilla Attacks

Nanking, June 17.

Persistent attempts of Chinese guerillas to harass Japanese troops from the rear in that area near the Kiangsi-Chekiang-Anhwei border south-west of Lake Tai have been ineffective. Japanese, military commanders here stated today.

Chinese guerillas south of the Yangtze River started counter-attacks early in June apparently for the purpose of diverting the attention of the Japanese from areas north of the river. Some of the guerilla units numbered 1,000 to 2,000 men, while others consisted of 200 to 300 men.

All counter-attacks made by the Chinese near Liyang and Lishui, west of Lake Tai, were crushed by Japanese garrison forces, the Japanese commanders claimed. "Several hundred" of the Chinese were said to have been killed.

Japanese army planes of the Maejima and Uyeda units located large Chinese forces concentrating near Sanchow Mountain ranges yesterday and dispersed them after a severe bombardment, according to reports received here.—Domei.

Chinese Active on East Section of Lunghai

Hankow, June 18.

Chinese forces are very active on the eastern section of the Lunghai Railway, according to a Chinese military communique today. It states that the Chinese have captured Kwanhucheng, south-east of Pihsien and east of Taierchwang.

The city as well as the railway station of Paochucheng are also said to have been cleared of Japanese troops.—Reuter.

Private Fires Two Shots

Hongkong, June 14.

Private Saunders of the Royal Scots was in the hospital in a serious condition today after accidentally firing two shots from his rifle at a passing motor car this afternoon while on sentry duty at Government House. It was believed the sentry was overcome by the heat. The Governor and a party were on the bowling green only fifty yards away when the shots were fired.—United Press.

Japanese Plans Changed

Main Drive on Hankow Being Made From East; Three Columns Operate From Yangtze

Hankow, June 18.

THE Yellow River floods are forcing the Japanese to shift their main drive towards Hankow from north Honan to the Yangtze valley, where the Japanese will probably begin a big push westward shortly, according to Chinese military despatches.

Three Japanese columns are expected to participate in the forthcoming drive.

The first column, Chinese circles believe, will push towards Tsienshan from its base at Hofei and Shuchen, in Anhwei; the second will strike south-westward from Anking towards Wankiang, on the north bank of the Yangtze; while the third will attempt to drive south-westward after making a landing at Kiukiang.

This third column is expected to advance via Hsiushai towards Changsha, capital of Hunan province, in order to cut the Canton-Hankow Railway south of Hankow.

The south bank of the Yangtse in the vicinity of Anking, was at present practically cleared of Japanese troops, except for a small detachment holding out south-west of Liushoushan, declared a Chinese military spokesman.

Chinese troops, he added, were at present counter-attacking the Japanese at Anking and Shuchen. Severe fighting was going on in the outskirts of these two cities.

Reinforcements in E. Hupeh

Considerable relief is felt in Chinese military circles here upon the receipt of information that Chinese reinforcements have arrived in the Taihu sector, where Japanese forces from Anking and Shuchen are reported to be attempting to march westward into east Hupeh.

Japanese warships, steaming upriver from Anking, are at present said to be shelling Chinese positions in the vicinity of Matung, east of Hukou.

The purpose of the bombardment, according to Chinese reports, is to breach the powerful boom located near Matung and also to land troops at Wankiang, on the north bank of the Yangtze above Anking.

Japanese aircraft are also stated to be participating in the operations.

The sound of gunfire and explosions is audible in Huangmei, in east Hupeh near the Anhwei border, on the north bank of the river.—Reuter.

THE Hankow-Sian and the Sian-Chengtu lines of the Eurasia Aviation Corporation, which have been suspended for some time, will resume their services on June 18 and 19, respectively, states a dispatch to the "Standard." The Sian air station, on orders from the Corporation, it is stated, has begun to handle the booking of passenger tickets. The fares on both airlines, the report states, will be reduced.

Cholera in Chefoo

Peiping, June 20.

Cholera has broken out in the city of Chefoo, it was reported here yesterday. Physicians and first aid officials are being rushed from Peiping, Tientsin and Dairen to assist the medical staff of the stricken town.—Trans-Ocean.

Alleged Chinese Spies Arrested

Shanghai, June 20.

Because of Private Tadao Osawa's intuition, 16 of a band of 21 alleged Chinese spies are now awaiting court-martial in Hsuchow, the Shanghai "Nippo" reported yesterday. The agents were attached to an organization directed by Marshal Feng Yu-hsiang, one time "Christian General."

Private Osawa, on sentry duty in the northern outskirts of Hsuchow on May 31, suspected something was amiss when a Chinese carrying what seemed to be a forged military pass sought to enter the town in company with a group of farmers. The suspect's appearance also set him apart from his companions, the daily quoted an unnamed traveller who recently returned from the Tsinpu-Lunghai junction as spying.

Taken to military headquarters, the suspect, broke down under examination and is alleged to have admitted he was Shih Chuan-chen, 26-year-old chief of the Second Section of Marshal Feng's secret service. On the basis of information supplied by Shih, Japanese military police raided Wangchiatien, a village outside Hsuchow on June 3, arresting 16 suspects.

Following the example set by their alleged leader, who frequently disports coolie attire, the "agents" were said to have gone about looking like labourers. Besides espionage activities, they are charged with having directed the operations of Chinese stragglers organized in raiding bands.

French Eject Chinese Police from College

Tientsin, June 16.

A company of French troops, under the personal command of Colonel Jacomy, commanding the French forces in China, were summoned to the French Jesuit College here yesterday to eject a party of Chinese police who were attempting to search the premises.

The Chinese police entered the Jesuit College to enquire into its activities.

M. Lepissier, French Consul-General in Tientsin, immediately summoned the French troops, and on their arrival the Chinese police withdrew.

M. Lepissier declared that "Any future attempt to prejudice French prestige or interests will be similarly resisted."—Reuter.

Huge Chinese Dictionary Completed

Peiping, June 14.

A comprehensive Chinese dictionary, claimed to contain all the different usages of words and phrases as well as their combinations found in the Chinese language through its long history, has recently been completed by Mr. Fu Ting-yi, a native of Hunan, after thirty years of uninterrupted labour. This colossal work is composed of 85 volumes, each having about 100 pages, and contains no less than 4,500,000 words.—Reuter.

Summer Propaganda

Peiping, June 17.

A summer "Sanitary Propaganda Week" started on June 9, under the auspices of the Bureau of Public Health of the Peiping Municipal Government.

The purpose of the week was to concentrate public attention on summer diseases.

Speeches on the importance of sanitary measures in summer, and on the prevention of cholera, dysentery and typhoid fever, were delivered during the week by officials of the Bureau.

In addition, handbills and posters expounding the meaning of the movement were distributed throughout the city.—Reuter.

Kiangyin Recovering

Shanghai, June 20.

With 13,000 people, representing one-fourth of its pre-hostility population, within its ancient walls, Kiangyin, once prosperous Yangtze city 40 kilometres north of Wusih, is showing signs of revival, the Shanghai "Nippo" reported yesterday.

Six-tenths of the city was laid waste by shelling and fire last year, but rehabilitation work is going apace under the direction of an Autonomous Commission formed on February 5.

Always a distribution centre for agricultural products, the town will assume a greater importance in the revival of the Lower Yangtze when projected harbour improvements are completed, the "Nippo" pointed out. Two cotton mills, which escaped destruction, are also located in the city. One is equipped with 40,000 spindles, the other with 13,000 spindles.

Japanese Build Pontoon Bridge

Preparing a way for advancing Japanese troops to cross a stream in Honan province, these soldiers are making ready to erect a pontoon bridge.

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NEWS FROM THE INTERIOR (continued)

Fall of Anking Admitted

Japanese Army and Navy Combine to Strengthen Hold on City, Advance Continues

Hankow, June 14.

The fall of Anking was officially admitted here yesterday. Informed quarters asserted, however, that violent fighting is still in progress in the vicinity of the Anhwei capital.

According to Chinese reports, a detachment of 1,000 Japanese soldiers which had been landed by the Japanese fleet, was repulsed yesterday afternoon. A confirmation of this report from a neutral side was, however, not obtainable.

A large number of Chinese planes took off from Hankow yesterday morning and noon to bombard the Japanese fleet stationed between Anking and Tatung which is said here to be composed of some 20 units.

Chinese military authorities fully realize that the Japanese attack from the Yangtze river which took the Chinese rather by surprise marks the opening for the Japanese general offensive on Hankow.

According to latest reports here, the Japanese units operating in the Hofei sector advanced beyond Shucheng, causing the Chinese to re-establish their front between Lake Chao and the Yangtze some 60 kilometres to the rear.—Trans-Ocean.

Navy, Army Co-operate

Shanghai, June 15.

Japanese naval forces co-operated with Japanese army units in mopping-up operations around Anking on Monday, a spokesman for the Japanese Navy declared yesterday morning. A naval landing party attacked Chinese positions at Tatukow, opposite Anking, and dislodged Chinese artillery forces there, the spokesman said.

Japanese naval losses during the landing at Anking were "three or four wounded," indicating the little resistance offered by the Chinese, the officer pointed out.

Japanese gunboats proceeded fifteen miles upriver but saw no Chinese troops, the spokesman declared.

Shore Line Points Taken

Strengthening their hold in the Anking area taken on June 12, Japanese naval and army forces on June 13 established contact at various points on the northern shore of the Yangtze in the vicinity of the Anhwei provincial capital.

A naval communique issued at 1 o'clock yesterday afternoon announced the taking of various shore line points near Anking in order to consolidate the gains of the army. A special naval detachment, the announcement added, occupied the Anking aerodrome in co-operation with the landing parties from various vessels at 9 a.m. on June 13.

In spite of continued rainy weather, the naval air force assisted the land and river operations by bombing and maintaining a close watch upon the Chinese remnants in the area.

Difficulties Ahead

Hankow, June 14.

Chinese circles state that the Japanese attempt to advance along the north bank of the Yangtze towards Hankow "will not be easy, since Japanese warships must first get through the Chinese booms in the vicinity of Kiukiang.

"The Japanese Army, in addition, must cross the East Hupeh area, which is extremely mountainous.

"The hills in East Hupeh," these circles add, "though not high, are very steep."—Reuter.

31 Japanese Divisions

Hankow, June 14.

Although the Japanese claim that they have only fifteen divisions in China, a Chinese spokesman declares, "We have proofs from diaries of captured Japanese soldiers and officers, and also from their detachment badges, that the Japanese are using 31 divisions in China."—Reuter.

Missionaries Safe

Anking, June 14.

All British and American missionaries here are safe and mission property was not damaged in the Japanese occupation of this city on Sunday.

Missionaries here include Mr. A. Muir and wife and Mr. Marvin Dunn, of the China Inland Mission; Mr. H. B. Taylor and wife, Emeline Boone, Miss M. I. Colson, Miss B. E. Myers, and the Rev. Leslie L. Fairfield, of the American Church Mission, and several Spanish fathers of the Catholic mission.

Sentries were posted at the entrances of the missions to prevent lawless elements from causing damage.

The Rev. Narciso Alonso, representing the Anking Vicar Apostolic, called on Lieut.-Commander Eiichi Shirahama, staff officer of the Japanese river fleet, at 9.30 o'clock today to thank the commander of the Japanese naval landing party for the prompt measures taken to prevent mob outbreaks after the Japanese occupation.

He was accompanied by the Rev. Father J. Rodriguez, Jesuit fathers later called on the Japanese army command.

Makeshift Japanese flags, hastily produced by the Chinese here, hung limply in the rain today.

A Domei survey showed little property damage, while no Chinese civilian was injured in the capture of the city.

The offices of Jardine, Matheson & Co., Ltd., a local French firm, and various missionary compounds displayed their respective national flags.

A formal entry into the city was made jointly by the Japanese army and naval forces at 9 o'clock yesterday morning, when mutual congratulations were exchanged by the commanding officers as well as other members of the contingents.—Domei.

Jesuit Fathers Safe

Anking, June 15.

Fifteen Jesuit fathers of the Spanish Catholic Mission and two Italian missionaries here are safe, Japanese military authorities stated today, in announcing that order has been restored three days after the occupation of the city.

Names of the Spanish priests were given as follows: The Rt. Rev. Mgr. F. Melendro, vicar apostolic; the Rev. J. Diez, the Rev. J. Rodriguez, the Rev. F. Heras, the Rev. F. Brusi, the Rev. D. Canal, the Rev. A. Alvarez, the Rev. E. Delgado, the Rev. P. Gonzalez, the Rev. H. Carlos, the Rev. J. Benjamin, the Rev. G. Alonso and the Rev. J. Reviriego. The name of one of the Italian fathers was given as the Rev. Mario Francesconi.

Notices urging residents of the city to go about their daily pursuits peacefully were posted on walls on the main streets. A military post office set up at the site of a former printing office is doing a rushing business.

A committee was organized today to prepare for the establishment of a Peace Preservation Commission.

Chinese Force Routed

A Japanese detachment routed 300 Chinese soldiers entrenched at Meitanshan, six kilometres north-west of Anking, on Monday afternoon, Japanese commanders stated today.

The Chinese retreated, leaving 50 dead, ten rifles and a large quantity of ammunition. The engagement was fought by troops of the Sato detachment which entered Anking with the Takahashi detachment on Sunday.

The Japanese unit encountered the Chinese after cutting a highway linking Anking with Tungcheng, north of the former city.

Japanese advance units were said to have reached an unnamed point about 12 kilometres north-west of here yesterday in pursuit of retreating Chinese soldiers. Other Japanese columns were said to be pursuing the Chinese in a westerly direction, despite rainy weather and mud which covered the roads. In some places the mud was knee deep.—Domei.

Japanese Effect Junction

Hankow, June 16.

The Japanese armies advancing on Hankow from Anking and Hofei respectively joined hands at Tungcheng after the latter town had been evacuated by the Chinese, according to reports here yesterday, which add that the Chinese troops have withdrawn to the hilly region west of Tungcheng.

The Japanese, it is stated, are now continuing their march westwards in two columns, one of which is advancing along the road from Anking to Hankow which runs parallel to the Yangtze, and the other along the road from Hofei to Hsinyang on the Peiping-Hankow railway, about 112 miles north of Hankow. This second column reachel Liuan, 150 miles east of Hsinyang yesterday morning.

The Japanese troops on the banks of the Yangtze have received strong reinforcements, and it is said that the Japanese warship Idzumo arrived at Nanking. It is surmised in military circles here that owing to the floods in Honan province, the Japanese advance on Hankow will be confined to the two afore-mentioned roads.—Trans-Ocean.

Japanese Advance

Nanking, June 16.

Japanese naval and infantry forces are steadily extending their operations in the Yangtze River area beyond Anking, according to reports received here today.

Japanese Forces Capture Anking

In a heavy fog which proved an effective screen, Japanese bluejackets landed at Anking, capital of Anhwei province, and occupied it on June 12. Aircraft and naval units assisted. Upper picture shows Japanese army transports and war vessels off Anking, while, below, Japanese bluejackets are seen advancing on the city after landing.

Japanese commanders here stated that Hankow's first defence line is "on the verge of collapse" as a result of the fall of Anking.

Occupation of a triangular area 200 kilometres deep with a line linking Wuhu and Luchow as its base, has made it impossible for Chinese soldiers to be deployed effectively along the Yangtze, Japanese military officers here declared.

Kwangsi forces under Gen. Li Tsung-jen concentrated in the vicinity of Liuan and Shangcheng have exposed their right wing to Japanese attacks and were said to be having difficulty in maintaining their positions.

The capture of Anking was reported to have had an adverse effect on the morale of the Chinese troops.

Official reports to Japanese authorities said that the occupation of Anking had been completed so swiftly that damage to dwellings and other civilian establishments had been minimized.—Domei.

Chinese Counter-Attack

Hankow, June 16.

Heavy fighting is now in progress on the highway between Hofei and Shuchen, west of Taohsicheng, while one Chinese column is pushing forward in the direction of Shuchen, according to a Chinese military communique today.

At the same time it is stated that, following the arrival of reinforcements, the Chinese are launching a furious counter-attack in the Anking sector.

A military despatch from the front last night reported that the Chinese had recaptured Anking. Later messages, however, indicated that, while fighting was in progress on the outskirts of the city, the Chinese had not yet occupied it.

Chinese troops yesterday occupied Liushoushan (Ox Head Mountain) near Anking, according to a Chinese military communique.

The despatch stated that eight Japanese warships were at present cruising the river, east of Anking.

At Tatukou, on the south bank of the river, opposite Anking, the Chinese forces were stated to have surrounded a detachment of Japanese troops which had landed on the south bank and were using Tatakou as their base of operations in the Anking sector.

The communique claimed that Chinese artillery had sunk six Japanese motorboats and more than 20 canvas boats, inflicting many casualties on the opposing forces.—Reuter.

Anking, June 17.

Extending their lines to the south and north-west, Japanese forces in occupation of the capital of Anhwei today moved to consolidate their position.

While one column was pressing upon Tsienshan, 30 kilometres north-west of here, another detachment crossed the Yangtze to attack Chinese entrenched along the southern bank of the river.

Huangshanchieh, key position commanding the river opposite Anking, was taken on Wednesday night, following the defeat of a force of between 500 and 600 Chinese in that area. The Japanese were continuing their advance southwards, field reports said.

In the Tsienshan sector, various positions along the Huanshui River were occupied by Japanese raiding parties. Included among these were Yuchiapu, Pochiapu, and Chiehluszulu. Chinese defences along this area extend over a front of about 10 kilometres linking Shwanghokow and Siangkungmiao.

The Chinese defences, skirting the foothills of the Tapieh range, form the first bulwark against a Japanese advance on Hankow along the Yangtze.

In the meantime, Japanese military authorities here announced that Japanese losses in the operations in the immediate vicinity of Anking numbered "about twelve." Chinese dead alone were placed at 500. Most of these were abandoned.—Domei.

Operations Extended

Shanghai, June 18.

Japanese naval forces co-operating with army units are steadily extending their operations up the Yangtze River, while naval bombing planes are carrying out raids on interior objectives, Japanese fleet authorities announced in a communiqué at noon yesterday.

The advance was continued in spite of barriers placed in the river and on its banks by the Chinese, the statement said. Naval aeroplanes, the communiqué continued, bombed Chinese positions on both banks of the river above Wuhu and inflicted great losses on them.

Naval aircraft also assisted army forces attacking Waiyin and Waian, in northwestern Kiangsu. Many direct hits were scored by the raiders on Chinese bases and military establishments, the communiqué stated.

Tsienshan Occupied

Shanghai, June 19.

Consolidating their gains in the Anking area, Japanese troops at 10 o'clock on Friday morning occupied Tsienshan, 30 kilometres north-west of the Anhwei provincial capital, following a bitter engagement, a Japanese army communiqué issued at 11 o'clock yesterday claimed.

The walled city, skirting the edge of the Tapieh mountains, forming a natural border between Anhwei and Hupeh, constituted part of the first line defences of Hankow against Japanese advance along the northern bank of the Yangtze River.

Following the occupation of Tsienshan, communiqué added, the Japanese forces were continuing their pursuit of Chinese forces fighting a rear guard action in the heights along the right bank of the Tsienshui River.

Attack on City Walls

Japanese army forces, which had closed in on the city during the last few days, launched a general attack on the walled city itself at dawn on Friday, the communiqué said.

Fierce fighting took place with the Chinese firing at the advancing Japanese from the crenelated walls. A moat further impeded the Japanese advance.

Kwangsi troops, assisted by the 146th and 147th Divisions, took part in the defence of the city.

After several hours of a bitter test of power, the Japanese troops succeeded in scaling the walls to occupy the town, the announcement said.

On the Yangtze, Japanese naval surface units operated in spite of unfavourable weather to remove hindrances to navigation above Anking, the communiqué said.

Still Fighting at Tsienshan

Hankow, June 18.

Fighting in the Anking area has now developed into a struggle for the possession of the town of Tienshan, according to Chinese war news reaching here today. Both sides are reported to have ordered up big reinforcements. The importance of Tientshan lies mainly in the fact that the town offers access by a road to the mountainous region forming the border between Hupeh and Anhwei provinces.

The Japanese are reported to have made further attempts at getting their troops across the Yangtze but according to Chinese accounts did not succeed.

Meanwhile, Japanese warships operating on the Yangtze have been proceeding slowly westwards from Anking with the apparent object of finding suitable spots for an effective crossing of further Japanese troops. They are shelling both sides as they move upriver.—Trans-Ocean.

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Britons in Hankow Confer on Safety

Hankow, June 14.

The Acting British Consul-General, Mr. C. E. Whitamore, called a meeting of all Britons in Hankow at 5 o'clock this afternoon to discuss matters relating to the present situation.

Mr. W. S. Dupree, chairman of the Foreign Residents Association, opened the meeting. He said that the uncertainties ahead necessitated that arrangements should be made to meet emergencies.

Last January, Mr. Dupree declared, plans had been discussed for some appropriate organization to arrange for the safeguarding of British lives and interests. It was felt, however, that a broader outlook should be adopted, which would embrace all foreign properties.

The outcome, the chairman stated, was that the interested Consuls had conferred with a view to formulating an International Emergency Council.

This council was to undertake general civic functions in special administrative districts in Hankow with the object of assisting to maintain order through Volunteer Special Police (on a precedent which had already been successfully adopted in Tsingtao).

Mr. Dupree stated that the Foreign Residents Association, which was international in character, was managed by a committee consisting of representatives of the British, French, Germans, Russians and Americans.

There were also several sub-committees in charge of such matters as food, finance, transportation, patrolling and concentration.

The full details of the Foreign Residents' Association's emergency scheme, he concluded, still awaited completion.

British Attitude

In a statement to the meeting, Mr. Whitemore then explained his attitude. He said:

"This meeting has been called for the purpose of clearing up any doubts among the British residents of the Wuhan cities regarding preparations made to meet any possible emergency in Hankow from the present hostilities.

"Our plans were drawn up on the basis of the slogan 'Hope for the best, but prepare for the worst.'

"They are the result of much thought, discussion and hard work, and I believe they provide the greatest good for the greatest number.

"To implement them, however, we must have the whole-hearted co-operation of everybody.

"I appeal to you all to give that co-operation for the sake of your fellow residents in general and, since this is a meeting of British subjects, of British interests in particular."

The meeting, which was held in the Hankow private school, was very well attended.—Reuter.

Appeal to France to Assist China

Hankow, June 13.

An appeal to France to assist China in her struggle is made in this morning's leading article in the "Ta Kung Pao," on the occasion of the expected arrival here today of M. Paul Naggiar, French Ambassador to China, from Hongkong.

The Chinese daily recalls firstly the "French people's traditional spirit of chivalry, and also love of liberty," and secondly the "fundamental French policy of collective security to safeguard her interests against aggression."

The paper also emphasizes the similarity between the Chinese and French peoples in their passion for fine art and literature, to the extent of "neglecting realism."

The paper expresses the hope that the arrival of M. Naggiar in Hankow will strengthen Sino-French friendship and co-operation in the joint efforts of the two countries to uphold peace and democracy.—Reuter.

Honan Missionaries

Hankow, June 13.

A letter from a British missionary at Yenchang, on the Peiping-Hankow Railway, states that the missionaries throughout Honan have decided to remain at their posts during the hostilities, since evacuation to Hongkong or Shanghai will mean too long an absence from their work.

The letter says further that Kikungshan, a popular holiday resort on the Hupeh-Honan border, is safe at present, but there is no certainty on how long it will remain outside the danger zone.

The morale of the countryfolk is excellent, the letter adds, and the Chinese soldiers who pass through Yancheng are orderly and well behaved.—Reuter.

BY SAPAJOU

Slogans of the Hankow Popeye

From Mr. C. E. Whittamore's remarks at a meeting of the British residents in Hankow.

Foreigners Prepare to Leave

Present Morale of Hankow Still Excellent, Though Prices Soar ; Amusement Centres Active

Hankow, June 15.

DESPITE the Japanese threat to Hankow, the morale in the Wuhan cities is excellent, and it is difficult to realise that hostilities may soon approach this centre. About two to three hundred of Hankow's 1,200 foreigners, however, are expected to evacuate aboard a special "international train" to leave here on June 24.

One hundred and fifty names of various foreign residents have already been registered with the Foreign Residents' Association, including several Russian "taxi" dancers from local cabarets. The train is expected to proceed straight to Kowloon without touching at Canton.

Except for the preparations of those about to evacuate, life in the foreign community continues much as usual, although stagnation of business is tending to make office hours slack. Several smaller firms have begun the practice of closing in the afternoons, while occasionally a foreign tobacco company works on the basis of a four-day week.

The cost of living is soaring higher and higher. This is mainly reflected in the price of alcohol, cigarettes and imported luxuries generally. Foreign firms bringing tinned and other goods from Hongkong by rail and lorry are compelled to charge stiff prices in order to cover their expenses on account of transport and exchange difficulties.

A case of beer, which formerly sold at $16, today fetches over $40.

Race Club Crowded

The Hankow Race Club, situated only a few miles from the airfield, is crowded on most evenings, although only a handful of women grace the tennis courts. Cricket, polo and other sports are still being played.

Although the demand for war news predominates, several enthusiastic sportsmen are equally interested in bulletins covering the Test matches.

At night, there are several amusements to be found, in fact the three foreign cinemas are doing a roaring trade, being crowded to overflowing every night.

Hankow's famous "Cabaret Street" still glitters, but it is understood that the proprietors are feeling the pinch in view of the restriction on the hours during which music may be played. It is rumoured that one of the best-known cabarets here will probably be closing down soon.

Russian "hostesses," of whom there are many left, hope to remain in Hankow as long as possible, but most have made precautionary arrangements enabling them to evacuate at a moment's notice in case of real emergency.

Music is allowed to be played in the French Concession until 11 p.m. six nights a week, and until midnight on Sunday, enabling several dance halls and open air gardens to do a roaring trade.

They are thronged nightly by Chinese and foreigners alike, who are shedding their daily cares with such relaxations as are available.

The populace is uncertain what is in store for them during the next few months, but at present they are cheerily making the best of a difficult situation.—Reuter.

Britons in Chungking

Chungking, June 18.

British subjects in Chungking have received a circular letter from Mr. E. W. P. Mills, British Consul-General, stating that a special refugee train is leaving Hankow on June 24. Reservations required and names must be telegraphed to Hankow.

Chungking appears to be safe at present, the statement declares, but if Hankow falls it will be liable to bombing attacks, and some British subjects may feel uneasy regarding the safety of their wives and families, particularly those residing in the city. The circular adds that those persons residing in the hills appear to be reasonably safe at present.

Hill residences are summer bungalows situated on the hill tops on the south bank of the Yangtze, opposite Chungking, about 1,000 feet above river level.

The foreign population in Chungking at present numbers approximately 200 persons, of whom about 60 are British, including a large contingent of Canadian missionaries.—Reuter.

Refugees Flocking Into Hankow

Hankow, June 19.

While Hankow is still busily occupied with the evacuation of women and children into the interior, war refugees from west Anhwei, east Hupeh and north Kiangsu are pouring into Hankow at the rate of 8,000 a day, thereby increasing evacuation difficulties.

The latest reports from the front state that the Japanese are now attempting to destroy the powerful boom at Matang, below Kiukiang on the Yangtze river, by naval and air bombardments.

Although preoccupied with evacuation problems, the Chinese authorities have completed arrangements for observance of the first anniversary of the Sino-Japanese hostilities on July 7 by the entire nation. All principal cities will observe three minutes' silence at noon on July 7 in honour of those killed in the war.

Opportunity will be taken to emphasise "the gallant resistance put up by the Chinese during the first year of the hostilities and to urge the nation to make stronger united efforts to carry on the war."

Students and Foreign Currency

Tightening up the Government's efforts to check wastage of foreign currency, the Ministry of Education and the Ministry of Finance have jointly promulgated regulations governing Chinese students already studying or intending to study abroad.

In future, according to the new regulations, only students pursuing courses connected with national defence and the military, engineering, and medical sciences will be allowed to study abroad. Students already three years abroad, it is further laid down, must return before September, otherwise no permits for remittance of foreign currency will be issued.

Exceptions Made

Exceptions are made in the case of those who are pursuing courses connected with national defence and the military, engineering and medical sciences, those who have attained a high scholastic standing, and those who receive special recommendation from Chinese Legations and Embassies.

The Chinese Government has instructed the entire nation to "go vegetarian" from July 7 onwards, on the occasion of the first anniversary of the outbreak of the Sino-Japanese hostilities. This order is in accordance with the Chinese custom of expressing mourning by abstaining from meat.—Reuter.

No Food Shortage In Chungking

Shanghai, June 20.

There is no shortage of foodstuffs in Chungking, since the province itself is practically self-supporting and the usual luxuries continue to reach the city by train, writes a correspondent from that city to the "North-Chnia Daily News." His letter, which was dated June 13, arrived here on June 19, rather in contrast to a letter from this journal to him which took exactly a month; the difference, of course, is due to the fact that his letter was flown down from Chungking to Hongkong.

As a matter of fact, the letter from this journal reached him fairly quickly, "as letters almost never take less than a month, and I have known of instances where they have taken two months; on an average, it may be reckoned, letters by post take six weeks," he writes. Actually, he is today receiving his copies of the "North-China Daily News" far more quickly than usual.

In normal times, the "North-China" through ordinary channels takes almost a fortnight to reach Chungking. This particular correspondent however, is receiving his copies of the paper by air mail within four to seven days—the paper going to Hongkong by steamer and the balance of the journey by air. "This may seem extravagant, but we felt it was well worth the extra expense," he writes.

"A Curious Place"

Chungking, he states, is a curious place at the moment, for, although it is official seat of Government and the Chairman of the National Government, Mr. Lin Sen, is there, all decisions of any importance are taken at Hankow.

Foodstuffs are plentiful, while the "luxuries of life, such as Ceylon tea, sugar and beer," travel up to Hankow by train and are shipped the rest of the way. The importers have not the slightest fear of not being able to dispose of anything they bring up, as people are quite willing to take anything allotted to them, and would be willing to take even more, "if they could get it."

Communication by other than air and train services with southern China is made possible by a motor road, according to this correspondent, who states that a friend now in Yunnan proposes motoring to Chungking by means of a 920-mile long highway running from Yunnan to a point opposite Chungking; the journey is expected to take seven days.

Chinese Exodus from Kiukiang Continues

Hankow, June 13.

The exodus of Chinese from Kiukiang to Hankow and from Hankow to Ichang, which has been in progress during the past few days, has been intensified as a result of the Japanese announcement that a drive on Hankow along the Yangtze is commencing.

According to a foreign shipping firm, all their ships from Kiukiang to Hankow and from here to places upriver are fully booked up.

Contrary to certain rumours in circulation here, Reuter is informed that Britons in Kiukiang and Kuling have not been requested to evacuate, and it is generally felt that many weeks must elapse before Kiukiang is seriously threatened.

The British gunboat Cockchafer continues to stand by at Kiukiang, while the Americans also have a gunboat there.—Reuter.

Japan Answers U.S. Lingnam Protest

Hongkong, June 13.

The Japanese Consul-General, it is learned, has now replied to American protests against the bombing of the American-endowed Lingnam University at Canton on June 8.

The reply expresses sympathy at the killing of Chinese employees of the University and regrets for having jeopardized the safety of Americans.

It urges, however, that in future the most careful identification be given of buildings of the University by a prominent display of flags on the roof-tops.

At the same time, replies to French and British protests against Japanese raiders flying over Shameen to reach their objectives state that an investigation of the charges is now proceeding.

They declare that Japanese naval authorities have reiterated the strictest instructions to the airmen carefully to avoid Shameen and other foreign property in carrying out air-raids.—Reuter.

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NEWS FROM THE INTERIOR (continued)

Five Bombers Down Claimed

Raiders on Bridge at Kwangtung-Hunan Border Repulsed; Missiles Do Damage in Canton

Hankow, June 16.

FIVE Japanese bombers were shot down this morning in an aerial battle on the Kwangtung-Hunan border, between Lochang and Shaokwan, according to Chinese aviation headquarters. It was stated that nine heavy Japanese naval bombers flew north along the Canton-Hankow Railway, towards the Kwangtung border, in an attempt to bomb the largest railway bridge of the entire line, near Lochang.

Eighteen Chinese pursuit 'planes went up to engage the raiders. After a furious aerial battle, five Japanese bombers were shot down, the report from aviation headquarters stated. It added that one Chinese machine ran short of fuel and made a forced landing.—Reuter.

Japanese Airmen Shot Down

Canton, June 18.

An intensive search is in progress among the mountains on the border of Kwangtung for several Japanese airmen who are believed to be at large.

The airmen, according to Chinese reports, belong to the six Japanese aeroplanes which were shot down by Chinese pursuit 'planes in northern Kwangtung on Thursday. They are said to have escaped by parachute when their machines were destroyed.

Although the wreckage of all six machines has been discovered, Chinese sources state, only four bodies have been found.

A 22-year-old airman, alleged to be named Nakashima, is reported to have been discovered alive in the mountains at Chihhsien and taken to Shiukwan, where instructions have been received from Hankow to accord him every consideration.

Three of the Japanese 'planes shot down, Chinese despatches state, were discovered on Thursday, while the remaining three, bearing the numbers 17260, 21039 and 19058, were traced yesterday.—Reuter.

Claims Denied

Shanghai, June 19.

Denying Chinese claims that six Japanese bombers had been brought down in a combat near the Kwangtung-Kiangsi border on June 16, a spokesman for the Japanese Navy yesterday announced that the Japanese lost two machines, while six Chinese pursuit craft were shot down.

The Chinese planes numbered 14 and there were "several" Japanese planes in the engagement, he said.

Relay Bombing

Canton, June 14.

An undetermined number of Japanese planes in five separate relays released nearly 30 bombs in the vicinity of the already destroyed power station at Saichuen in the course of an air raid last night, which was the third of the day.

The planes were over the city for three full hours, from 8 until 11, and the welcome sound of the "all-clear" was not heard until 11.40 p.m.

Spy hysteria was again in evidence last night. Watchers on roof tops in Shameen witnessed several suspicious lights appearing in windows just prior to the arrival of the raiders, whereupon a barrage of rifle and revolver fire was opened up in the direction of the lights.

It is officially learned that yesterday the raiders reconnoitred over a large area in east Kwangtung, and scattered thousands of leaflets as well as dropping eight bombs on Kweichow.—Reuter.

Lungkong Village Bombed

Hongkong, June 14.

Five Japanese aeroplanes bombed and machine-gunned the village of Lungkong, 25 miles from the Hongkong border, at 2 o'clock this afternoon, according to foreign reports received by Reuter.

Foreigners, who arrived here from Canton by motor car, said that they had seen several craters in the village streets and near by, and it was learned that altogether eight bombs had been dropped.

It was also stated that the streets had been machine-gunned, but the casualties were believed to be slight as the residents had taken cover.—Reuter.

Casualties Slight

Canton, June 15.

The air raid alarm was sounded once again at 5.30 a.m. today, and soon afterwards twelve Japanese 'planes came over in formations of three each.

They dropped a number of bombs here and there over the city, mostly in the vicinity of the Central Park.

A number of houses were demolished, but fortunately the casualties were slight. Official Chinese reports state that ten persons were killed and 30 injured.

The "All clear" signal was given at 8 a.m.

The alarm was sounded again at 9 a.m., but the raiders this time avoided the city, concentrating their attention on the railways, and dropping bombs on the Canton-Hankow and Canton-Kowloon lines.

The Canton-Hongkong telephone line was put out of action during the second raid.

The "All clear" signal was sounded shortly before 11 a.m.—Reuter.

Girls' School Bombed

Canton, June 16.

Two bombs were dropped in the compound of St. Hilda's Girls' School, the property of the Church Missionary Society, in the course of last night's raids on Canton.

One bomb scored a direct hit on a school building, completely demolishing it, and the other buildings were also badly damaged.

Fortunately, however, there were no casualties, as the school had previously been evacuated owing to the fact that is it situated in the danger zone. Almost all the schools and universities in Canton are now empty.

Lingnam University, which previously housed 500 students, now contains a mere sixty.

The raids were carried out in the small hours of the morning, at 1 a.m., 2.30, and 5 a.m.

On each occasion the visitors dropped a number of bombs in various parts of the city and also in the suburbs. No details of damage are as yet available.

The raiders carried raiding lights, which were distinctly visible from below, drawing a barrage of ineffective anti-aircraft fire.—Reuter.

Direct Hits Claimed

Shanghai, June 17.

With direct hits on the Kwangtung Provincial Government building in Canton, raiding Japanese naval air craft on June 15 set on fire a wing of the structure a Japanese naval spokesman claimed yesterday afternoon.

Several wings of a cartridge arsenal were also demolished during the same raid, he added.

"More than 10" freight cars were destroyed on the Canton-Hankow railway, he further claimed.

Despite Bad Weather

Shanghai, June 18.

Aerial units were active in South China on June 16, the Japanese authorities stated. Disregarding a rain storm and thick clouds, the raiders bombed and destroyed Chinese military establishments still remaining in Canton, the communiqué declared.

Objectives included the Provincial Party Headquarters, Provincial Government building, arsenal, and the Tienho aerodrome.

The Provincial Government building was said to have been set on fire by bombs and other structures damaged. The Japanese planes were the targets of intense anti-aircraft fire.

Other planes attacked the Canton-Hankow Railway and demolished freight cars near Yinchanyao. The tracks in the vicinity also were destroyed at several points, the communiqué concluded.

Japanese Bomb Kweilin

Hongkong, June 15.

The capital of Kwangsi province, Kweilin, suffered yesterday afternoon its first air raid since the beginning of the Sino-Japanese hostilities. Nine Japanese aeroplanes appeared above the city and dropped about 15 bombs which, however, struck the ground in the outlying parts of the city, doing little damage.—Trans-Ocean

To "Demoralize the Chinese"

London, June 15.

Mr. Shigeru Yoshida, Japanese Ambassador in London, yesterday received a deputation of five members of the China Campaign Committee.

He declared last night that the Japanese Government "found it necessary to destroy the anti-Japanese movement in China."

In the beginning, Mr. Yoshida declared, it was hoped that the war could be localized in the North, but the Japanese forces had "reluctantly to go on to Shanghai and Nanking, and now to Canton."

"The Japanese," Mr. Yoshida, went on, "did not want to bomb Canton, but the bombings were undertaken in order to demoralize the Chinese people, and prevent reinforcements being sent from Canton."

The new Japanese Cabinet, he added, wanted to "finish the war as soon as possible."

Mr. Wilfrid Roberts, Liberal Member for the Northern Division of Cumberland, declared on behalf of the deputation that "British opinion is divided on many issues, but everyone in the House of Commons, and throughout the country, is shocked by the ruthless and cruel conduct of the war, and of the aerial bombardments, which have seriously strained friendship between Great Britain and Japan."

Thousands of people watched a procession through the West End organized by the China Campaign Committee on June 13.—Reuter.

Bombings in Commons

London, June 16.

"The Foreign Office has received no evidence to show that Japanese officials have ordered Chinese traders to cease selling British and American goods," declared Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, in the House of Commons yesterday, in reply to Mr. Neil Maclean, Labour Member for the Govan Division, Glasgow.

Reports of the casualties as a result of Japanese air raids on Canton, indicated that between 3,500 and 4,000 had been killed and wounded between May 28 and June 6, Mr. Butler revealed at question time.

In response to British protests to the Japanese Government with regard to the raids, "preliminary observations" had been made to Sir Robert Craigie, British Ambassador in Tokyo, by Gen. Kazushige Ugaki, Japanese Foreign Minister, Mr. Butler went on. Gen. Ugaki, Mr. Butler declared, had promised to send a "considered reply" to the British Government's protest.

Envoy's Words Denounced

"This was one of the most terrible statements ever made by an Ambassador in a civilized country," declared Mr. Victor Gollancz, of the well-known British publishing house, referring yesterday to the statement made on the previous day by Mr. Shigeru Yoshida, Japanese Ambassador in London, that the "Canton bombings were undertaken to demoralize the Chinese people."

The Japanese Ambassador made the statement to a deputation of the China Campaign Committee who visited him on Tuesday. Mr. Gollancz was speaking before a meeting of the China Campaign Committee at Queen's Hall.

The Bishop of Chelmsford, the Rt. Rev. Henry Albert Wilson, was subjected to prolonged jeering and heckling during the meeting when he urged that "force should not be used to induce Japan to abandon the Canton bombings."

The Bishop suggested that an "Attempt should be made to convince the Japanese that they are losing "Face" throughout the world."

After the meeting, numbers of people marched to the Japanese Embassy carrying placards bearing the inscription "Stop the Bombing, Boycott Japanese goods."—Reuter.

Bishop's View Explained

London, June 15.

Europe's right to play "the heavy father" in China was questioned today, by the Bishop of Chelmsford. Dr. Henry Wilson, in his speech before the China Campaign Committee meeting held in Queen's Hall to protest against Japanese aerial bombardments of Canton's civilian population.

The Western World's right to criticize Japan was dealt rather in detail by the Bishop, who asked, "Were not bombs dropped on London in 1917 by the Germans and were not some children in an East End school killed? Did not the Italians drop bombs on the Abyssinians and spray villages with poison gas? Are not the German and Italian Armies bombing unprotected towns and killing women and children in Spain today?"

Dr. Wilson stressed his point. "Although the brutality of the Japanese has shocked us, we must ask, is it not we who have distorted their view? It was a tragedy for the world that the internal combustion engine was invented. I say that our assumption of spiritual and moral supremacy over Japan is not justified" the Bishop concluded.—Havas.

Planes Bomb Matung

Hankow, June 18.

More than 30 Japanese aeroplanes bombed Matung, below Kiukiang on the Yangtze River, in relays during the past few days in an attempt to destroy the boom there, according to a Chinese military communiqué today.

The despatch stated that 30 Japanese warships were reported at Tungliu and more than 10 warships each at Tatukou and Wushacha.—Reuter.

Spokesman Defends Bombings

Admiral Nomura Says "Physical Impossibility" To Avoid Civilians in Certain Circumstances

Shanghai, June 18.

CRITICISM for what has taken place at Canton should be directed at the Chinese authorities, who have "deliberately refused to take the necessary measures for evacuation of their civilian population."

This statement was made by Rear-Admiral Naokuni Nomura, Chief of the Special Service Section of the Japanese China Sea Fleet, at a press conference yesterday.

In a lengthy statement Rear-Admiral Nomura pointed out that bombardments of defended cities had not begun with the present hostilities. He said it was a "physical impossibility" to avoid destruction in areas in proximity to military objects aimed at.

"In view of the strong criticism which continues to be voiced by certain sections of foreign public opinion against the air bombardment of Canton," Rear-Admiral Nomura said, "I wish to make a few observations as one who has devoted his life to naval service and to the study of the technicalities of naval warfare.

Canton a Defended City

"I find it difficult to understand, first of all, exactly upon what grounds those criticisms are based. Is it being reasoned that the bombing of Canton itself, a defended city and hence a legitimate military object, is bad? If so, why should Japan be singled out for condemnation? Air bombardment of defended cities and towns did not begin with the present hostilities. Similar military operations have been and are being carried out by other Powers in other parts of the world.

"Or is Japan being criticized because some of the bombs used at Canton, instead of hitting the military objects at which they were aimed, missed their mark and damaged buildings in the immediate neighbourhood of such military objects?

"Or even because, in rare cases, there may have been errors of judgment? If that is the case, then it must be said that the Japanese air forces are being condemned for their failure to accomplish what is generally recognized by experts to be virtually a physical impossibility.

Lesson of Past Practices

"For we naval experts know the records made by the aircraft of all the navies of the world over a period of more than a decade in their target practices against large-size battleships which present to the marksmen an area which is several times the size of most of the military objectives in Canton.

"The percentage of direct hits, even against such huge targets and in the complete absence of anti-aircraft fire, is very low. And as I feel confident that this fact will be readily admitted by all who are acquainted with the subject, I would advise anyone who has doubts on the point to consult an expert of his own country.

"It is because we are thus fully aware that not all of the bombs will find their mark, notwithstanding all the care that is being exercised and the risks that are being run by our airmen to secure maximum accuracy, that we have frequently warned the populace by leaflets dropped from the air, and that I ventured in an earlier statement to request both third party nationals and Chinese civilians in Canton to evacuate the danger zones.

Chinese Blamed

"Finally, is it because stray bombs have caused casualties among civilians that Japan is being so severely criticized? It seems to us, in view of the open hostilities being waged between Japanese and Chinese forces, that common sense would dictate that non-combatants living near military objectives move to less dangerous zones.

"While having nothing but sympathy for the civilians who have suffered, I wish to point out that some degree of civilian loss is bound to accompany all modern hostilities, no matter by what Powers they may be waged.

"If criticism there must be of what has taken place in Canton, should it not be directed against the Chinese authorities who have deliberately refused to take necessary measures for the evacuation of their civilian population?"

Gen. Tang Alive

Hankow, June 17.

General Tang Tao-yuan, who has been officially announced by both the Chinese and Japanese military authorities as having succumbed to injuries received during the withdrawal of the Chinese from Hsuchowfu, is now reported to be alive.—Reuter.

Hoihow Bombed

Shanghai, June 19.

With Japanese charges of French military assistance to China receiving wide publicity, the attack by Japanese naval aircraft on Chinese military establishments in Hoihow, on Hainan Island, on Friday, attracted attention in Shanghai yesterday. Hainan Island is comprised among the territory China agreed not to lease or surrender to another Power under a treaty with France. Nearby is the French leased territory of Kwangchowwan.

According to a Japanese naval communiqué issued in Shanghai at noon yesterday, "heavy damage" was inflicted upon the Defence Headquarters and other military establishments at Hoihow.

Other aerial operations included attacks on the Sunning railway in Kwangtung province, where freight carriages near Towshan station were blown up. Tracks were claimed to have been destroyed at various points along the line.

Kwangchow Fortified

Tokyo, June 18.

France is building extensive fortifications in Kwangchow territory of South China which belongs to her, the "Nichi Nichi" declared yesterday.

The paper stated that during the past days France has landed large quantities of war material in Kwangchow Bay.

Regarding the fall of Canton as inevitable, the French, according to the paper, are preparing for the defence of Kwangchow through the installation of searchlights, anti-aircraft guns and the improvement of roads.—Trans-Ocean.

Japanese Bomb Hainan Island

Shanghai, June 20.

Japanese naval aircraft visited Hoihow, major port in Hainan Island on Saturday for the second time in as many days, bombing Chinese coastal defense positions, a China Seas Fleet communique issued at noon yesterday revealed. Several positions were claimed having been demolished by the bombs.

On the south China mainland, the communique said, raids were carried out against Shaokwan, in northern Kwangtung, Namyung, near the Kiangsi border, and Foochow.

At Shaokwang, the Canton-Hankow railway station, and freight cars in the station yard as well as the track were attacked. Bombs were also dropped on the Airdrome, damaging hangars and adjoining barracks. Military establishments at Shaokwan were also attacked.

The Foochow arsenal, barracks and military establishments were also made targets.

Aircraft also co-operated with Japanese naval forces active on the Yangtze attacking Chinese concentrations and fortifications near Matowchen, below Kiukiang.

H'kong Society Condemns Canton Bombings

Hongkong, June 17.

Unanimous condemnation of the Japanese bombing of Canton was expressed at a meeting yesterday evening of the Hongkong League of Nations Society.

Numerous speakers, including eye-witnesses, voiced their feelings, and described scenes of havoc and horror in the stricken city.

The following resolution was passed by the meeting:—

"This meeting in the name of humanity protests against the appalling slaughter and maiming of civilians during the bombings of Canton by the Japanese, and urges everyone of goodwill to mobilize public opinion against this form of warfare, which threatens the foundations of civilization."

The meeting was addressed by Bishop Valtorta, of the Roman Catholic Church; Bishop Ronald Hall, of the Church of England, and numerous other clergymen and doctors who participated in rescue work, and in succouring the wounded.—Reuter.

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Chinese Patriot Honoured

FROM OUR OWN CORRESPONDENT

Chungking, May 30.

The event of the week has been the funeral of the late Gen. M. C. Wang who was killed on the field of battle. The body arrived in a Ming Sen vessel and was saluted by thousands of students who lined the steps of the Chao Tien Gate and the river banks for miles round. Patriotic songs were sung, even the chair coolies joining in, and then appropriate sacrifices were performed by Gen. Ho Kou-kuang of the Generalissimo's Headquarters.

On Tuesday thousands of citizens of every walk of life went to the Chamber of Commerce to pay their respects to the first Szechuenese high commander to pay the supreme sacrifice. His blood-stained coat, riddled with machine-gun bullet holes was displayed on the coffin and patriotic societies utilized the occasion to urge the remaining generals of the old "Liu Hsiang gang" to hurry off to the front and defend their country.

Funds to Purchase Planes

With the fall of Hsuchow, the Air Defence committee is busy again—$500,000 will be collected from the wealthy families during the next month. Several new air fields have been constructed and a fair number of anti-aircraft guns mounted on high points round the city.

Heavy rains throughout the province have assured a good rice crop and the price has dropped to the lowest figure since the famine. Living costs have risen and with the prolonged blockade of the Yangtze the farmer may find himself victim of the old agricultural problem, cheap food prices and high prices for all other necessities of life. The needs of the Szechuenese farmer are still very primitive and the abundance of food will ensure content among the masses and willingness to continue the war of resistance.

Mr. Geoffrey Aldington and Cmdr. Codrington-Ball of H.M.S. Falcon flew up to Chengtu last week and while there took part in the Empire Day celebrations of the Canadian School for foreign children. They also met several Chinese aviators who took part in the recent flight to Japan.

H.M.S. Falcon Officers Entertain

The officers of H.M.S. Falcon entertained the foreign community to their last curry tiffin before they proceeded down river. Most of the members of the community turned out for this very enjoyable social event.

After a journey lasting nearly a month, Dr. Stuart Allen of the Canadian Mission and the Rev. W. A. McCurdy arrived with eight truckloads of stuff from Yunnan. The cargo represents the accumulated needs of the West China University, various hospitals and personal baggage of several returning missionary parties. They report that this southern route while difficult and costly is quite feasible.

Mrs. Grant and Dr. Richardson of the Central Government Agricultural Research Bureau flew from Chengtu last week and were married at H. M. Consulate. They then left by steamship for their honeymoon down river to Ichang and return.

Shantung Wheat Crops

FROM OUR OWN CORRESPONDENT

Chowtsun, Sung., June 10.

Owing to the unsettled conditions many people, fearing robbery, cut their wheat before it was ripe. Extra care was taken to have the crops watched. In one district owners were allowed seven-tenths, the other three-tenths being for the poor of the village. According to reports much has been stolen, and the crop as a whole is barely average.

Children must be getting tired of their long enforced holiday from school. In some areas the old style of village school for memorizing the Confucian Classics has been restarted, much to the delight of some senior teachers. These venerable brethren will at least get their food provided. All former school books have been destroyed.

A number of elementary schools are being carried on by Christians in the villages. Reading, singing and Scriptures are the chief subjects. A few kindergarten schools continue as usual. During the spring classes for older people have been well attended. There is an increasing demand for Bibles and Testaments.

The activities of guerilla bands continue bringing about reprisals which cause immense suffering on the part of innocent people. Many villages have been burnt. The Foster Hospital renders all the aid it can, but only a fraction of those in need can be brought in under present circumstances.

His Majesty's Birthday

FROM OUR OWN CORRESPONDENT

Weihaiwei, June 9.

Everything in Weihaiwei seemed bent upon contributing to the general brightness of the King's birthday, including the weather, which was perfect.

The many warships which are assembled in this seaport presented a festive sight, being dressed for the occasion, their gay flags waving in the slight breeze which prevented the day from being too hot.

Those who had been looking forward to hearing the usual Royal Salute at noon were disappointed, but this did not prevent a positive fusillade of good wishes which must surely have found their way to King George in that distant Homeland where the thoughts of all British subjects were centred.

An At Home was given at the British Consulate, which was attended by Vice-Admiral Sir Percy Noble and his staff, as well as a party of Weihaiwei residents and some visitors. Among the latter were Mrs. (Cmdr.) Porter, and Mrs. Burnett, (Lieut.-Cmdr.).

Mr. Allan Price, H. M. Consul, and his charming wife, who have only recently arrived in Weihaiwei, made a marked success of this little gathering.

The Island Hotel is filling up with Hongkong visitors and a few from Shanghai, which have already arrived. These include Mr. A. J. Grant and Mr. W. C. Walker, whose days are spent in pursuit of these most fascinating if tantalizing sports, golf and fishing.

Mrs. B. H. M. Broomhall will be one of the next Shanghai visitors to arrive in this beautiful, health-giving spot.

Celebrations at Dairen

FROM OUR OWN CORRESPONDENT

Dairen, June 10.

Celebrations for the King's birthday at Dairen were divided into two parts—the official reception in the morning and the garden party in the afternoon. Both were held at H.M. Consulate.

To the morning function were invited the leading army, naval and civic officials of the city while among those present were Lieut.-Gen. Manzo Suiyama, commander of the Port Arthur naval fortress, Mr. Yosuke Matsuoka, president of the South Manchuria Railway, and many other notables as well as practically all British residents of the port.

Mr. H. Foulds, H.M. Consul, gave a short speech and a health was drunk to His Majesty.

In the afternoon a garden party was held in the spacious and beautiful grounds of the Consulate. Afternoon black clouds hovered overhead and from three to four o'clock rain fell though not enough either to dampen the ground or the spirits of those who gathered to honour His Majesty—as the weather soon cleared up, the sun shone down and everything went off as planned.

The garden party proved a highly enjoyable affair with many members of the Japanese and foreign communities being present, the grounds bright with gay kimonoes and summery dresses and parasols.

Peiping University Resuming

Peiping, June 18.

The Peiping University, classes in which have been suspended since the outbreak of hostilities last July, will be reopened after the summer, according to a decision made by the Ministry of Education of the "Provisional Government."

An inspection of the university premises has been made by officials of the ministry and preparations will be made for the reopening of classes.

Measures for the registration of old students and for holding an entrance examination for new students are now being considered by the Ministry.

No decision, it is learned has been reached as regards the appointment of a Chancellor for the institution.—Reuter.

OBITUARY

Gen. Tieh Liang

Peiping, June 17.

Reports from Tientsin announce the death yesterday of General Tieh Liang, a prominent official in the Ching Dynasty, at the age of 79.

General Tieh went into retirement following the Revolution in 1911 and since then has resided in Tientsin. While in office, he made an investigation tour in Europe and America on behalf of his Government and after returning home wrote a book on the political history of European and American countries.—Reuter.

Ship Quarantined At Chefoo

Shanghai, June 16.

Cholera caused the death of one Chinese passenger in the British-owned Butterfield & Swire ss. Shuntien in Chefoo on June 13, a Japanese Embassy spokesman announced yesterday evening. The vessel, the spokesman declared, was quarantined.

With Chefoo under Japanese naval occupation, the spokesman said that he "believed" that the quarantine services were being operated by the Japanese naval authorities.

The ss. Shuntien sailed from Shanghai for North China ports on June 11.

"While Japanese lines require the presentation of an anti-cholera inoculation certificate before passage to north China or Dairen will be sold, this practice is not being followed by other steamship lines," the spokesman commented.

Twenty-two cases of cholera, the spokesman added, had been reported in Soochow up to Monday. Eight of the patients, all Chinese, had died.

The Japanese Consulate-General in Shanghai, the spokesman went on, had stopped the issue of bills of health to vessels proceeding to Japan. This was because Shanghai and Woosung had been officially designated as cholera-infected harbours.

These documents, certifying that the vessel was not carrying a communicable disease and had not entered an infected port, facilitated quarantine formalities upon arrival in Japan, the spokesman explained.

Anxiety on Fate of Miss Wilkinson

Hankow, June 13.

Acting upon the request of the New Zealand Government, the British Consulate-General in Hankow is endeavouring to trace the whereabouts of Miss Iris Wilkinson, the New Zealand writer, who has not been heard of for the past month.

The Acting Consul-General, Mr. C. E. Whitamore, is getting into contact with Dr. Donald Hankey, at Chengchow, and several mission stations for information regarding the missing woman.

No fresh news of Miss Wilkinson can be obtained in Hankow, where it is hoped that she found refuge with missionaries at Hsuchow, when that city was attacked by the Japanese.—Reuter.

North China Link to Manchoukuo

Peiping, June 16.

Chinese sources state that for effecting closer trade relationship between Manchoukuo and the "Provisional Government," the two governments are contemplating the appointment of trade commissioners to be stationed in Hsinking and Peiping.

It is reported that the "Provisional Government" has designated Mr. Chow Chueh, former foreign affairs commissioner of the National Government in Shanghai, to the post.

Mr. Chow has already arrived in Peiping and is leaving shortly for Changchun after having interviewed Mr. Wang Keh-min, chairman of the administrative commission of the "Provisional Government."

Chinese sources further report that Mr. Chao Hsin-po, former Minister of Justice in Manchoukuo, who is now staying in Peiping, is the most likely candidate for the post of trade commissioner in Peiping for Manchoukuo.—Reuter.

British Soldier Killed

Hongkong, June 18.

L/Cpl. Lawlor, of the Middlesex Regiment, was killed today when a military lorry, in which ten members of the Regiment were travelling in the New Territories, crashed into an embankment and was overturned.

Three other occupants of the lorry were seriously injured while the rest were only slightly hurt.

It is reported here that L/Cpl. Lawlor's parents are residing in Kensington, London.—Reuter.

GENERAL Ho Cheng-chun, former Chairman of the Hupeh Provincial Government, who was recently appointed Chief Administrator of Military Law, assumed his new post yesterday, states a dispatch to the "Hwa Mei Chen Pao." General Ho succeeds General Lu Chung-lin, who was recently appointed Chairman of the Hotel Provincial Government.

Peitaiho Season Usual

FROM A CORRESPONDENT

Peitiho, June 9.

"Peitaiho? But surely it isn't safe to go there?" was said to us so often, that we felt ourselves to be quite brave adventurers when we set off from Shanghai last week.

On arrival at Chinwangtao we were boarded by the Chinese doctors of the Customs, who proceeded to give cholera inoculations to all those who had not had the fore-thought to have them done before leaving Shanghai. The doctors were very pleasant and efficient, and a charming little Chinese nurse gave us our certificates. The charge was $1.

While the Chinese passengers and crew were being inoculated, we interviewed Japanese officials, and gave them particulars of our nationality, ages and past and future addresses—all quite simple. After that the Customs took an interest in our luggage, but it was quite a kindly one, and the formalities soon over.

The train service is excellent, quick and punctual. There are three passenger trains each day from Chinwangtao, 9.14 a.m., 2.50 p.m., and 11.39 p.m., which bring one to Peitaiho Beach Station at 10.10 a.m., 3.35 p.m. and 12.40 a.m. (midnight) respectively. Beginning on June 11 there will be one through train a day from Tientsin down to the Beach for the rest of the season. On the main train a Russian wanted to see our passports, and noted down particulars.

Normal and Peaceful

Peitaiho itself is entirely normal and peaceful. Chinese shopkeepers turned out to give us a hearty and optimistic welcome. There are about 200 people now in Peitaiho, and more arriving daily. The crops are only a few inches high, but as there has been a good deal of rain everything is green and fresh. Acacia trees are very plentiful and the blossoms strew the ground everywhere, making a scented carpet.

It was 590 on the verandah the day we arrived here, rather an amazing change from Shanghai—but now it is 700 and brilliant blue skies, combined with a bracing sea breeze, make weather conditions ideal. Everything is so clean and fresh after Shanghai.

There seem to have been no changes since last year, and people who have been here for a month assure us that everything is as ever it was. Just to make us feel quite at home, the hawkers, with baskets, peitaiho hats, laces, linens and dress materials of all kinds, were at our door-step on the day we arrived.

Food shops are all running as usual and the large stores from Tientsin open their branches here about June 15. The cinema is due to start on June 28, and we suppose the wee golf and bowling alleys will start then also. The roads have all been newly done, and houses, rickshaws and donkeys are all being furnished up for the season.

The British troops from Tientsin are to be at the camp site between Chinwangtao and Peitaiho, usually occupied by the American troops, I believe they take up their quarters there on June 13.

If things go on as they are now, Peitaiho certainly will deserve the title someone gave it, "The most peaceful spot in the Far East."

Hongkong Crowded with Refugees

Hongkong, June 13.

The newly-formed Refugee Council here has established that there are now about 300,000 refugees in Hongkong of whom only a small section can be considered destitute, whilst the bulk belong to more or less propertied classes. All the same even well-off refugees were found to be in a bad way, as many of them have to sleep in the open air owing to the entire lack of further accommodation in the city. Most of them apparently spend the better part of the day in the homes of their acquaintances as only about 800 destitute persons, most of them belonging to Hongkong, take advantage of the free meals provided by the Salvation Army.

With a view to exercising control over the health conditions of these refugees, the authorities are planning to erect numerous straw huts.—Trans-Ocean.

Hongkong Chinese Give To Red Cross

Hongkong, June 14.

The Chinese Red Cross of this city has contributed supplies to the extent of $1,000,000 and 10,000 cases of medical and first aid equipment worth $30,000 to the Chinese army since the beginning of the hostilities, it was announced here yesterday. The Kwangtung Government has provided a sum of $200,000 for assisting the refugees from war districts.—Trans-Ocean.

Memorial Services For Dr. Wyatt

Memorial and burial services for Dr. H. G. Wyatt, Miss Beulah Glasby and a Chinese chauffeur, who were shot and killed by guerilla units, obviously unaware of their identity, near Kuohsien (on the way to Taichow) on May 5, were held in Peiping and Taiyuanfu on May 20, May 24 and May 25, and the large crowds which attended testified to the great popularity of Dr. Wyatt and the genuine loss all felt on learning of his death.

On May 20, a memorial service was held for Dr. Wyatt at the Schofield Memorial Hospital, of which he was superintendent. A large quantity of roses and narcissus wreaths and scrolls were sent by Peiping business houses, hospital staffs and patients, and the service was conducted by Dr. Bloom, assisted by the hospital evangelist and the business manager.

A Chinese memorial service was held on May 24 for Miss Glasby, Dr. Wyatt and the chauffeur (a Mr. Hu), the ceremony being held in the Chinese Church, decorated with banners, wreaths and rose trees. The congregation included two Japanese officers; several German businessmen; missionaries from the Salvation Army and the Assemblies of God Mission; nurses (in uniform) from the Men's and Women's Hospitals; members of the Church of the Brethren, the Church Deacons, and many others. The service was conducted by Dr. H. R. Williamson, and a number of tributes to the memory of the deceased were delivered by fellow-workers.

The burial service was held in the Martyr's Cemetery, Taiyuanfu, on May 25, when a large number of Chinese and foreign friends attended a ceremony conducted partly in English and partly in Chinese. The graves were lined with ferns and flowers and in each lay a cross of roses; masses of roses—white, pink and red—surrounded each grave and at the head were large wreaths of Chinese flowers, hung on stands.

Another memorial service was held in the auditorium of the College of Chinese Studies, Peiping, the large congregation including many personal friends of Dr. Wyatt, members of the Missions in Peiping, P.U.M.C., Y.M.C.A., Y.W.C.A. and Yenching University. Dr. H. R. Williamson conducted the service and gave the memorial address, while the Rev. Stuart Craig led in prayer.

Died in Course of Duty

Dr. Wyatt started on his ill-fated journey to carry much needed relief to northern mission stations; he was also going to the relief of a wounded Chinese woman in Sinhsien and to act as escort to three of his colleagues who were moving to Taichow for important relief and missionary work. As their motor lorry neared Kuohsien it was attacked by Chinese guerillas, who were obviously unaware of the identity of the occupants.

Miss Glasby was killed as she sat in the cabin of the lorry and the Chinese chauffeur was seriously wounded. Mrs. Jaspar suffered from shrapnel wounds in both legs. Dr. Wyatt did what he could for the wounded chauffeur and then advanced in the face of heavy fire, waving the British flag in the hope that their assailants would cease fire.

When this proved fruitless, he set out to assist the chauffeur to the shelter of a ditch, but was shot down as he did so. He continued to wave the flag, but in the end both Dr. Wyatt and the chauffeur were killed.

Salt Production to Be Increased

Peiping, June 14.

Plans have been completed by the Hsin Chung Corporation for bringing the yearly production capacity of the Chang Lu salt fields to 120,000 tons. These plans call for the construction of a large reservoir and a cleaning plant at a total cost of $650,000. Construction work will be started on July 15 and is expected to be completed in November this year.—Reuter.

Yen Speculation

Hongkong, June 14.

Japanese banks here today refused to give foreign exchange for yen notes, apparently because of activities of certain Shanghai syndicates taking advantage of the Shanghai yen-yuan parity. The differenc eis about three pence, making it profitable to import yen notes into Hongkong.

Japanese banks today began imposing restrictions on transactions of this sort, however. One Japanese bank today refused a 500 yen exchange transaction.—United Press.

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NEWS FROM THE INTERIOR (continued)

Church Growth in Haichow

Inculcating Self-Support Principles Great Boon To Christian Progress; War Hinders Work

SPECIAL TO THE "N.C.D.N."

THE period 1928/38, immediately following the disturbed revolutionary interlude of 1926-1927, was marked in the Haichow District by progress in practically all lines. From being a sort of eddy, cut off from the main stream of commercial, social and political life, this district steadily pushed out into the main current, and was making rapid strides toward a commanding position in this section of China.

With a greatly improved Governmental system which had very largely put down banditry; with good railway, steamship and airway connections, and in possession of one of the best motor road networks to be found in China, away from the immediate environs of such cities as Shanghai, Tientsin and the like, and this system of roads being improved steadily up to the beginning of hostilities this summer the Haichow Territory was ready for a general advance in material things. Of course, the present campaign of fighting has checked the material progress in this district.

Along spiritual lines progress has been greater than along any material line. The Christian Church in the Haichow District made phenominal advances in ten years, and the forward march continues in spite of the handicaps of war conditions.

Self-Supporting Practices

In 1927 there was not a single self-supporting church in the Haichow field, and many of the groups were giving almost nothing to the support of their preachers. Out of the refining fires of the 1927-1928 persecution came a new type of Christian. Right then many old methods were changed and tremendous emphasis was placed on the development of self-support, and the standards of church membership were raised higher and higher to prevent the necessity of repeating former purges.

Since 1928, the progress of the church has been steadily increasing. Whereas in 1927 there were self-supporting Churches in this field, now there are 50. Some of these are in groups under one preacher or pastor, and some have a preacher or pastor for just one place. All out-stations also are self-supporting.

The West Gate Church had only 48 members when it began to support itself, and the Sinpu Church, which come next in line, had only 22 members. This church had more than 70 members before the purge, and all but one had to be excommunicated—the reaction from this had to be overcome, before any real progress could be made. When 21 new members had been added, this church had a real foundation and has steadily grown since then.

The Haichow City Church was next in line, which joined the ranks of self-supporting churches when it had about 20 members. Then came the problem of the strictly country churches and groups of churches. Many said the country people were "Just too poor to do it," but it turned out to be the same problem, the old, old problem of separating a man from his money, for something else besides his own personal material benefit. By this time, of course, the movement had gained some momentum, and better still, the generous givers in the self-supporting churches had begun to enjoy their giving and were telling others about their joy. More than this, tithing, more and more gained favour as its value was seen.

The first strictly country church to become self-supporting was the one at Yangchiachi, where Mr. John W. Vinson was captured by bandits something over a year before. This church made tremendous strides after Mr. Vinson was captured and killed. Though there are only about 47 baptized members in the group of country churches, between five and 600 people gather in the church at Yangchiachi on Sundays to worship.

Control Given to Chinese

The authority and control has been passed over to the Chinese leaders just as fast as the support has been taken over by the Chinese constituency. Funds from foreign sources have not been administered by the Chinese leaders, for this would have greatly handicapped the advance of the self-support movement. Such funds are now being used in promoting a wide evangelism, reaching out for the unreached multitudes. The emphasis in the life of the already independent churches is now on self-propagation, the establishing of new groups of believers and the building up of new churches through the efforts and the gifts of the already established churches, and also the development of the missionary spirit which will take their interest and their gifts far out beyond their own borders.

Since 1927, the problem of "Rice-Christians" has largely vanished. The former persecution after 1927, the rise of self-support and the raised standard of membership have about eliminated this class. They do not try to get into the Church for what they can get out it in material gain, for there is no such gain to be gotten.

Depression over Haichow Area

After hostilities began, this section probably suffered more than most other parts of China, in which actual fighting between the two contending forces has not occurred. This section is largely dependent on import and export business and on the many and varied activities of the Salt Gabelle and the salt-making and salt-merchandising connected with it. The blockade of the ports has largely paralyzed imports and exports and the inactivity of the Salt Administration has thrown many out of employment.

For a long time, airraids with accompanying bombing and machine-gunning demoralized other types of business, but the people soon got accustomed to the raids and went about their work as usual.

The depression and economic stagnation have radically tested the structure of self-support in this whole territory. Instead of failure or retrogression, there has been real progress. In a few places, where the situation was so bad, many of the supporters of the work had to leave, churches which were better off when helped out, so the work went ahead without interruption.

The story of how the Haichow West Gate Church met its problem, caused by the situation and the depression, is a most interesting one. In October, for financial reasons, the work in the mission hospital had to be greatly curtailed. This entailed the loss of a large number of the very best church leaders, for they had to go elsewhere to get employment. Right at this time, bombing was at its height, and many other members left for what they thought would be safer places.

These consisted of about three-fourths of the financial support of the church. This group had not only supported its own work, but had been helping the work in a city nearby. The first reaction was to cut off the help to the neighbouring place and see what could be done about their own expenses. Instead of doing this, however, the decision was to continue aiding the neighbouring place, and trust the Lord for their own needs. Very shortly an evangelist meeting was started which lasted for seven weeks. This resulted in adding enough new believers and stimulating the old members to such an extent, that together they raised far more monthly contributions for the work of the church than they had before the exodus.

Many businessmen as well as missionaries are interested in the development of church work in this district, specially along the line of self-support, because the work has not followed conventional lines.

Peiping Scenic Spot

Peiping, June 17.

The "Purple Light Pavilion" in the Chung Hai Park, one of the scenic spots of Peiping, was struck by lightning recently during a thunder storm which broke over the city about six o'clock and as a consequence was set on fire.

The fire brigades were summoned and put out the conflagration which damaged only one corner of the pavilion.

Later investigation showed that some of the roof decorations were knocked down when the building was struck.—Reuter.

Legalizing Drugs In North China

FROM OUR OWN CORRESPONDENT

Peiping, May 30.

One of China's oldest trades, for so long carried on under cover, is out in the open again in Peiping—opium is now sold as openly and freely as are vegetables and meat. The seal of authorization of such sales was set on it today when the Ministry of Administration of the Provisional Government issued an order imposing a general welfare tax of 20 cents per ounce on all raw opium sold in opium shops.

The new tax is to be collected by the Finance Bureau of the Municipality and presumably the money from this course is to swell the coffers of the Municipal Government.

This new tax follows two other significant announcements this month. The first was the statement of the Consolidated Tax administration on May 11 that it had decided to permit the establishment of 300 opium dens in the city and 100 opium shops.

First Flourishing Trade

It is most probable that at the time of the order there were many more than this in Peiping, for during the period of confusion which followed the ousting of the Sung Cheh-yuan régime and the establishment of the Provisional Government the drug traffic was one of the first trades to get on its feet and flourish. Nor were the Chinese and Japanese entirely to blame for this for some foreigners had a finger in the pie.

But if the order of May 11 decreased the number of dens and shops it also put the seal of legality on the drug business. The sale, purchase and smoking of opium is now a legal business.

A curious part of the order of May 11 was the stipulation that each of the 300 opium smoking dens should have a minimum capital of $1,000 and that each of the 100 shops allowed to sell raw opium must have a minimum capital of $10,000. The reason for this does not appear to be clear, but it is thought by some that this is to keep the poorer people as far away from the drug as possible as obviously a proprietor who has put $1,000 into an opium den wants better paying custom than the rickshaw coolie who wants a 5 cent puff at the pipe.

Drug Addicts Released

This order concerning dens and shops was followed in the natural course of events by the release of 40 drug addicts confined in Peiping jails during the campaign of the Sung Cheh-yuan régime to stamp out the drug habit. It will be recalled that he forced addicts to undergo treatment and if after they had been declared cured they relapse into drug taking they were sent to prison and thus forcibly kept away from the drug.

Not less interesting is an order concerning the registration of opium smokers. Officially the registration system is to taper off smoking and eliminate the habit but some of the regulations make it abundantly clear that this desirable end is not expected for a long time and indeed the financial returns of registration are likely to be such that the authorities will not wish to see the habit disappear.

All smokers are supposed to register with the Municipal authorities. In return they are given a licence to smoke and pay a fee of $1 a month for it. The regulations state that this licence must be renewed annually, a clear indication that no immediate tapering off of the habit is contemplated.

The seventh of a long list of regulations is an interesting one—"Opium smokers who fail to pay their licence fee regularly are liable to be asked to cease smoking immediately." This seems a clear indication that the authorities who collect the fees have no real desire to stop smoking of the drug, for this regulation seems to be a threat to smokers as to what will happen if they don't continue paying.

Maximum of Revenue Wanted

To enforce registration by smokers there is a regulation providing for fines of people who are found to be smokers but do not register. Such people may be fined anywhere from twice to ten times the registration fee while another regulation states that smokers who go into hiding while the police are making their investigations may be fined from ten to 40 times the registration fee. In other words the authorities intend to make the very maximum of revenue out of the drug habit. Even the casual visitor will not escape. Visitors from out of town, says one regulation, may get temporary licences costing 50 cents for ten days.

Smokers who live in hotels get their licences and pay through the hotel manager, in other words the fee "goes on the bill."

Increased Prices

All this is strangely reminiscent of the opium suppression measures instituted after the formation of Manchoukuo and under which the official acreage of poppy gradually increased.

The price of the drug of course has risen. Before the opening of hostilities last year Kansu opium, much favoured by smokers, used to arrive by camel caravan in Kueihua where the price was about $2 an ounce while transportation, squeeze and other things added another dollar by the time it reached Peiping, where the price was $3 an ounce.

This price, however, now nearly is doubled. Not so much Kansu opium arrives and this part of the country appears to depend largely on supplies from Jehol, always a great opium producing province. In addition a fair amount grows in Suiyuan particularly in the hill country north of Kueihua and even on the Mongolian tableland where Chinese agriculturists have encroached on Mongol grazing land.

Economic News From Manchoukuo

FROM OUR OWN CORRESPONDENT

Dairen, June 3.

Increased activity in shipping is the word now in Dairen the figures for April showing a rise of 112 ships or 382,954 tons as against the corresponding month of last year. The British came third with a total of 11 vessels as compared with 452 Japanese and 70 Chinese. German and Manchoukuo ships were next with eight apiece, the Norwegians had five, the Netherlands three, the Danes two while Greece, Italy and Sweden had one each.

One more railway has been opened in Manchoukuo, running between Wangching and Hsuehling in Chientao Province. This line traverses an extremely rich forest zone, which it is intended to tap. The General Directorate of Railways at Mukden fails to disclose the length of the railway.

Wangching is 40 km. south of Tumen, where the Tumen-Chiamussu line starts. There are six stations between the termini. For the time being two mixed trains will run daily, making only a single trip each way.

The population in this district has been increasing largely of late as the exploitation of the forest area makes headway.

Anti-Profiteering Measure

The latest article to come under state control is flour. This is apparently for adjusting supply and demand and the former high price from sending the prices of other commodities upwards along with it. The preliminary to this was the lifting of import duty on this article from May 26 though the control does not come into force until June 5.

The act which covers this is under the anti-profiteering measure. The price for flour has now been fixed for all the large towns in the country and any merchant who is found violating the law is to be drastically punished.

To adjust the supply and demand the Manchoukuo Government has ordered 1,500,000 bags of flour from Japan, which, under arrangements with the Tokyo Government will arrive at a low price.

It has been further ordered that domestically produced flour (mainly in Harbin) will be used for all towns north of Changchun while the imported goods will be used south of the capital.

The price of wheat has also been fixed for Harbin. The law leaves a loophole, however as it says that under special circumstances the price may be altered.

"Reformed Government' Education Policy

Shanghai, June 15.

Laying down the guiding principles for the educational policy of the "Reformed Government" in Nanking, a decree was issued yesterday by Mr. Liang Hung-chih, president of the Executive Yuan, and Mr. Chen Chun, Minister of Education, in the new régime.

"The revival of China's ancient virtues and civilization," the decree said, "coupled with the absorption of the scientific nowledge of other countries should be sought in order to make the people strong morally and physically."

Provisional Government Bodyguards

Peiping, June 16.

The training of the bodyguard corps attached to the "Provisional Government," consisting of 400 members, has been finished and they will soon be detailed for service in the various Ministries and Commissions, state Chinese reports.—Reuter.

Vaccination the Vogue In Kweichow

SPECIAL TO THE "N.C.D.N."

Kweiyang, Kwei., May 23.

For some days, health officers have been active on the streets vaccinating all willing to be so treated with the result that large numbers have been dealt with. According to papers these officers will soon go to the east of the province for the same purpose.

I learn that the authorities of neighbouring provinces are refusing to vise the passports of foreigners wishing to enter this province, giving as their reason the statement that Kweichow is a "robber district," but I imagine that it is not any more so than other provinces, though we cannot claim that it is robber-free. Some people think that other reasons of a military nature, may be the real explanation.

The bronze statue garden on the site of the old North Gate was planned quite attractively but owing to negligence of the officials concerned it has fallen into a very disgraceful state of untidiness, the grass plots being now but bare earth and occupied by pedlars or peepshows, while many of the trees have been partly or wholly destroyed. This garden is but a small one with the statue of the late Gen. Chow Hsi-chen as its *raison d'etre*, and could be made a very attractive place with its stone seats and its trees if it were well kept and people were strictly forbidden to tread on the grass plots; as it is now, it is an eyesore.

Authorities Steady

The more I learn of the activities of the Government with regard to reforms and improvements in this province, the more I admire the steadiness of the authorities in this time of crisis. It is surely the best way in which to maintain the spirits of the people.

The recruiting (largely compulsory) of young men for the army continues unabated throughout the province, but in many parts the arbitrary and even brutal methods of the officers concerned (I mean lower-grade officers directly engaged in the recruiting) are causing very many to go into hiding or escape to other districts. I feel certain that the average higher officers would strongly condemn these methods could they but know, but who dares to report?

We have had a lot of rain recently and friends from other provinces get a poor impression of our climate, but as a matter of fact these very rains have already resulted in the price of rice going down in spite of the large addition to the resident population of the city. The fact is that we need fairly frequent rains as the rocky nature of the soil requires it. The Kweichow phrase is: "*San tsing liang yu*" i.e." three (days) of fine and two of rain." Now there seems a promise of sunshine again so our provincial reputation may yet be redeemed.

Language School in Nanking

Shanghai, June 15.

To provide facilities for many persons who desire to study the Japanese language at Nanking, a Japanese Study Institute was opened on June 10 at the Fangchiu Primary School in the Confucian Mausoleum in the former capital of China, according to the Shanghai "Nippo."

The principal of the institute is Mr. Yang Cheng-hua, a Formosan, who once studied at the Chungshan Middle School in Canton and formerly was engaged in commercial activities in various parts of China. He is versed not only in the Japanese language but in the dialects of Peiping, Shanghai, Fukien and Kwangtung, the paper said.

The opening of the institute was brought about mainly through the efforts of Mr. Sun Shu-jung, former Vice-Chairman of the now defunct Nanking Autonomous Commission, and at present Chief Secretary of the Nanking Municipal Government.

Japanese in Peiping

Peiping, June 17.

Statistics released here show that at the end of May there were altogether 16,387 Japanese subjects residing in Peiping. These comprised 10,842 Japanese, 5,334 Koreans, and 111 Formosans.—Reuter.

THE new airline of the Eurasia Aviation Corporation linking Hongkong and Yunnanfu was formally inaugurated on June 13, says a message to the "Standard." The 'plane which made the successful maiden flight, it is reported, left Yunnanfu at 10.50 a.m. and arrived in the Colony at 6 p.m.

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NEWS FROM JAPAN

France Attacked by Japanese

Tokyo Journals Allege Assistance Being Given To Nanking Regime ; Warning of Consequences

Tokyo, June 14.

LEADING metropolitan newspapers today renewed bitter attacks upon France for her alleged assistance to China.

The "Kokumin," a prominent journal, served what it described as a "stern warning" to France to abandon her "outrageous" attitude.

France, the daily charged, is supplying the Nationalist Government with and military advisers to replace the American fliers and German advisers who are leaving China.

Recalling that France had imposed an embargo on the sale of arms to China some time ago, in response to Japanese representations, the "Kokumin" declared that France is now "openly and unscrupulously" supplying China with arms and ammunition through Indo-China.

Soviet Russia and France are today the major sources of China's military supplies, the daily asserted.

"Railway and Loans"

"Not content with extending military assistance to China," the "Kokumin" continued, "France is now granting loans to the Nationalist Government and building a railway between Indo-China and Kwangsi province.

"Taking advantage of the transfer of the Nationalist Government's seat from Hankow to Yunnan, France is now attempting to extend its influence not only to that province but also to Kwangsi, Kweichow and Szechuen."

Declaring that Japanese military action in China aims at the "obliteration" of the Nationalist Government, the "Kokumin" said:

"Japanese military operations, including aerial bombing, will be directed against anything which has military importance, whether or not it is backed by third Powers or involves the interests of third Powers.

"Therefore, once Yunnan becomes the military and political centre of the Nationalist administration, not only Yunnan province but French Indo-China as well will naturally be involved in the maelstrom of Sino-Japanese hostilities.

"For such an eventuality, France must be held responsible."

"Chugai Shogyo" Mystified

The "Chugai Shogyo," whose president is Mr. Tokichi Tanaka, former Ambassador to Moscow, said it was "mystified" by the "vigorous military assistance now being given to China by France."

In view of the Franco-Soviet mutual assistance pact, the daily pointed out, it is "easily imaginable that France is affected by Russia's positive military aid to the Nationalist Government."

Foreign Powers, however, it added, "should envisage the outcome of their assistance to China at this juncture."

"Depending on the Soviet Union, as it does, for all of its military supplies, the Hankow Government will eventually be Sovietized," the journal asserted.

"This means that assistance to China by other Powers, including France, will eventually prove to be tantamout to aiding Russia in her attempts to Bolshevize China."—Domei.

Japanese Threat

Tokyo, June 15.

If French authorities in Indo-China continue their alleged military assistance to China, "well informed observers" in Japan fear that Hainan Island "may become another scene of Sino-Japanese hostilities," metropolitan newspapers said today.

The dailies said that the Japanese Government and people are giving "vigilant attention" to press reports that negotiations are under way with the Governor-General of Indo-China, M. Jules Brevie, "for securing French assistance in defending Hainan Island."

"Despite French denials," the press quoted observers as saying, "there are various definite indications increasingly lending colour to the rumours of a secret agreement between France and China."

The journals referred again to reports that General Chiang Kai-shek was offering France railway and mining concessions in the south-western provinces, including Yunnan, for French assistance.

The papers quoted other unverified reports to the effect that negotiations are under way between France and China "For the transportation of arms and ammunition on French warships from French Indo-China."

"In case the French authorities of Indo-China persist in extending military assistance to the Chiang Kai-shek administration," the press said, quoting the observers again, "and if they co-operate in the military installations on Hainan Island, we fear the situation there will inevitably be aggravated. In that case Hainan Island may become another scene of Sino-Japanese hostilities.

"Because it is quite imaginable that the Chiang Kai-shek administration, falling back on military assistance from France, may resort to fresh provocation of Japan."—Domei.

Vigorous French Denial

Paris, June 15.

The greatest surprise is expressed in diplomatic quarters here as a result of the persistent attacks against France made in the Japanese press of late. The latter allege that French war supplies are being sent to China in big quantities, and some newspapers even go so far as to threaten the security of French Indo-China.

Politicians are commenting widely, too, on Japanese reports that General Kazushige Ugaki, the Foreign Minister himself, speaking at a recent Cabinet meeting referred to a "secret Franco-Chinese accord whereby supplies are sent to China."

The existence of any such alleged pact is categorically denied by authorized quarters here, who recall that such rumours had been denied previously on repeated occasions.

"No war material whatsoever, apart from that ordered by China before the outbreak of hostilities, is being transported through Indo-China," the same circles assert.

Statistics Support Contention

The latest statistics bolster this contention and indicate that China's imports of French war materials are the smallest when compared to those of other nations.

War supplies exported from France to China during 1937 totalled 2,800,000 Gold Units, representing an amount equal to British exports in the same period. The United States and Germany, however, exported 6,200,000 and 7,000,000 Gold Units' worth of materials that could be used in war manufacture.

Furthermore, 60 per cent. of the supplies going into China during 1937 went in via Hongkong's harbour.

Franco-Japanese Pact

Finally, diplomats recall the Franco-Japanese Agreement of 1907, which France has always respected.

This accord provides that North China is reserved for Japan's commercial influence and that France is not opposed to Japanese penetration in that area. It also provides, however, that Chinese districts along the Indo-Chinese borders should be reserved for French influence.

France is determined to remain faithful to the spirit and law of this agreement, the same diplomats declare.

They emphasize particularly that last December, France prohibited the transit through Indo-China of any arms or ammunition, whether French or foreign, apart from those cargoes which China's Government had ordered before the conflict. They also point out, in conclusion, that France was the sole Power which took such action, even though a state of war has never been declared.—Havas.

Statement in Tokyo

Tokyo, June 15.

Questioned by foreign correspondents today regarding reports of French military assistance to China, a spokesman of the Foreign Office said he had no official report but "lots of information, some of which is fairly reliable."

The spokesman said one report which had come to his attention claimed that a younger brother of Mr. T. V. Soong, who has been stationed in Hanoi as a representative of the Chiang Kai-shek administration, concluded a contract with a French firm for constructing a railway between Chennankwan and Nanning.

A party of French engineers has already been sent to Nanning from Indo-China, the report said.

The spokesman said if such a railway is constructed it would be connected with Yunnanfu by a motor highway by way of Paishih, "thus forming an important line of communication between Indo-China and Yunnan for the transportation of arms and ammunition."

The spokesman said the report claimed that the railway will be constructed quickly as a permanent right-of-way already has been pre-

Asked whether the French attitude regarding alleged military assistance to China was "friendly or unfriendly toward Japan," the spokesman declined to reply, saying he would "leave that to the judgment of the questioner."—Domei.

France Stands Neutral

Tokyo, June 13.

It is true that arms and ammunition are being exported from France to China but the supplies are not being sent by the French Government, which is taking a neutral attitude in the China hostilities, Lieut.-Col. G. Sabattie, Military Attache of the French Embassy in China, declared in a press interview at Shimonoseki this morning.

The arms supplies are being sent, he declared, by French merchants, "who have no other intention than to make a great profit from the exports."

Lieut.-Col. Sabattie arrived in Shimonoseki this morning from China by way of Korea en route to Tokyo, whence he is leaving for France on a furlough.

He said it is difficult to predict when the China hostilities will be ended. He stated that peace and order are being maintained in North China by Japanese forces.—Domei.

French Deny Aid to China in War

Tokyo, June 17.

The French Ambassador here, M. Charles Arsene Henry, visited the Japanese Vice-Minister for Foreign Affairs, Mr. Kensuke Horinouchi, yesterday and declared to him that all statements and rumours concerning alleged French support to China were entirely false and without foundation.—Trans-Ocean.

Tokyo Has No Trade Monopoly in China

Tokyo, June 13.

Denying foreign accusations that Japan was monopolizing economic and commercial interests in China, the spokesman of the Foreign Office declared today that Japan had no intention of depriving Great Britain and other foreign countries of their markets in China.

He pointed out that an abnormal situation prevailed in China, especially along the Yangtze Valley where the Japanese forces were now pushing upstream towards Hankow. Consequently, he said, no vessel could engage in trade in that part of the Yangtze.

Difficulty, the spokesman added, was not only being experienced by foreign merchants but also by Japanese merchants.—Reuter.

Barriers Against British Trade

London, June 13.

The "Daily Telegraph" today features an article by Mr. E. M. Gull, formerly Secretary of the British Chamber of Commerce at Shanghai, on Japan's tightening grip on the control of Chinese trade, charging that the Japanese are continually using the pretext of war conditions to create barriers against British trade despite repeated assurances that the "Open Door" and British interests will be respected.

The article cites the exchange and trade control laws of Manchoukuo as favouring Japan against all other countries, and asserts that Japan's action in introducing a new currency in North China, establishing wool and hemp monopolies, and devising tariff alterations and other measures is manifestly designed to extend similar restrictions to China.

The article stresses Japanese attempts to dominate the Shanghai Municipal Council and vexatious restrictions on the resumption of business in Hongkew and Yangtsepoo as parts of a plan to undermine the historic British predominance in the Yangtze Valley trade.—Reuter.

Another Manchoukuo Border Clash

Tokyo, June 18.

Tension in Japanese Government circles was noticeable here tonight following Japanese reports of another serious clash between Soviet and Manchoukuo border guards. One Manchoukuo guard was reported to have been killed in the clash in which both sides were reinforced after heavy exchanges of machine-gun fire.

The Japanese reports alleged the Soviet border patrols near Hungchun precipitated the clash by opening machine-gun fire on a Manchukuoan patrol.—United Press.

N. China Development Combine

Japanese Army Authorities in Peiping and Tokyo Interests Have Conflicting Views

Tokyo, June 16.

PLANS for the formation of the long-heralded Japanese semi-official North China Development Corporation are making rapid progress. Latest reports say the concern, capitalized at Y350,000,000, will be established in September.

The organizing committee is expected to submit a draft plan for the new company shortly, fully considering the opinions of the Japanese Army in North China.

As the investment in kind by the Japanese Government in the projected Corporation is expected to be considerable, an appraisal committee for the government property to be invested has been organized with the Japanese Minister of Justice, Mr. Suehiko Shiono, as chairman.

To facilitate quick establishment, attention is being given in Japan to a plan to issue shares privately instead of in the open market, with financial institutions, such as the semi-official Industrial Bank of Japan, taking over the entire issue.

Of the subsidiaries, the communications company, most urgently needed, will be organized first while among the industrial subsidiaries, the one engaged in coal mining is planned to be established within this year, its need being felt acutely for transportation of raw materials to Japan.

Facts Summarized

Lt.-Col. Ishimoto, member of the Special Service Corps of the Japanese Army stationed in Peiping, who was recently in Tokyo for negotiations on behalf of the Japanese Army in North China with the Government, the organizing committee for the North China Development Corporation and other quarters regarding North China development, summarizes the situation as follows:

The subsidiaries of the North China Development Corporation are to be Chinese juridical persons with Sino-Japanese joint investment.

As funds required by the subsidiaries may not be covered completely by the investment of Chinese and foreign financiers, any shortage may be covered by the North China Development Corporation, provided that it does not exceed the total of the corporation's capital and its North China Development debentures, or Y.2,100-million. The said capital supply shall be spread over a period of five years.

Tokyo Dislikes Monopolies

The Japanese Army authorities in North China desire the application of the principle of "one company for one industry" to facilitate controlling the industries. The Japanese Government insist on allowing several companies for one industry because monopoly affects efficiency, as the state of affairs in Manchoukuo bears witness.

The Government further proposed that one of the several companies in each line of business should be formed chiefly by a Japanese or Manchoukuo company engaged in the same industry.

The Japanese Army in North China demanded that the profit-making policies of the subsidiaries should be subordinated to the progress of economic development itself. Tokyo interests insisted that profit-making by the North China Development Corporation should not be neglected and that the business of the subsidiaries should be adjusted in accordance with that idea.—Reuter.

The New President

Tokyo, June 19.

Mr. Shinji Yoshino, former Minister of Commerce and Industry who resigned in favour of Mr. Seihin Ikeda on May 26 in the reorganization of the Konoye Cabinet, today was reliably reported to have been selected as president of the Y.350,000,000 semi-official North China Development Company.

Mr. Yoshino's appointment would pave the way for an early inauguration of the mammoth concern. Mr. Kenji Kodama, former president of the Yokohama Specie Bank, was recently named president of the Y.100,000,000 Central China Rehabilitation Company.

Preparations for the organization of the two concerns are progressing satisfactorily and they are expected to be established simultaneously at the end of August or early in September, Domei was informed.

Contracts, budgets for operating the two firms and other matters have been arranged by the organizing committee, headed by Baron Seinosuke Goh.

Formal applications for organizing the companies will be tendered by Baron Goh after a decision is reached on the amount of capital to be invested by the Government.

A Y.35,000,000 North China Telegraph and Telephone Company will be organized in the near future without waiting for the establishment of the two development firms.—Domei.

Japan Asks Better British Relations

Tokyo, June 15.

A fresh attempt at bringing about an improvement in Anglo-Japanese relations has become apparent here during the last few days. This attempt is being undertaken mainly with a view to surmounting the difficulties of a political and economic character caused by the China conflict.

Whereas Britain was until quite recently represented as the main instigator of the Chinese resistance, there is now almost an unqualified desire expressed in nearly every issue of the leading Japanese newspapers for the re-establishment of good relations with Britain. Much, for instance, is being made of the fact that General Kazushige Ugaki, the new Foreign Minister, has already had several talks with Sir Robert Craigie, British Ambassador in Tokyo, with the object, it is claimed, of settling differences which have arisen out of the Sino-Japanese hostilities.

According to the newspaper "Miyako Shimbun," the new Japanese Foreign Minister is very keen on maintaining good relations with the United States of America as a preliminary to reaching an understanding with Britain. If he is successful in this direction, he will tackle the task of easing off the tension existing between Japan and Soviet Russia.

All Japanese newspapers are agreed that every attempt to bring about a rapprochement in this direction will be frustrated at the outset if Britain continues to lend alleged support to the Chinese Nationalist Government.

Britain, it is contended, is not impelled to lend support of this sort in order to safeguard British interests in China, seeing that Japan has repeatedly undertaken to respect British interests in China in full.—Trans-Ocean.

British Friendship

Tokyo, June 17.

At a press conference of foreign correspondents today the first since his appointment, the Minister for Foreign Affairs, Gen. Kazushige Ugaki, declared :

"We have had special relations with Great Britain of traditional friendship. I will do my best to restore them and make them even closer than in the past."

A vague hint that a discussion of peace terms between China and Japan was within the realm of eventual possibility was given by General Ugaki.

He emphasized that Japan had never given a thought to terms and that there had been no change in the situation since the Japanese Government's declaration of January 16.

Japan May "Reconsider"

He added significantly, however that "if there does happen to be any fundamental change in the situation then the Japanese Government might reconsider its attitude."

The Foreign Minister refused to suggest the possible nature of a "fundamental change."

Asked whether the Japanese Government would consider mediation by a third Power, General Ugaki said that the nature of the motive for such mediation would first have to be made clear.

He gave assurances that the Japanese were not contemplating any action in Hainan.

The Foreign Minister stated that there seemed to be some causes for friction between Japan and Great Britain, especially in the Yangtze.

"We specially sent officials there to endeavour to come to an agreement on the spot," he declared.

Canton Bombing Inquiry

Asked whether and when a "considered statement" on the Canton bombings was forthcoming, General Ugaki replied : "I cannot say anything definite at present."

He added that the Japanese Government was investigating the matter with the Japanese authorities on the spot.

In answer to another query, the Foreign Minister reaffirmed that "Japan has no territorial ambitions in China."—Reuter.

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NEWS FROM JAPAN (continued)

Revision of Nine-Power Pact

Gen. Kazushige Ugaki Reiterates View France Assisting Chinese Nationalists

Tokyo, June 18.

HOPE that the Nine-Power Pact would be revised "in keeping with the realities of the Far East," was expressed by Gen. Kazushige Ugaki, Foreign Minister, during an interview with foreign correspondents stationed in Tokyo yesterday. The new Foreign Minister pointed out that the treaty had been signed sixteen years ago, while its "important provisions" had been violated by the Chinese. Should a revision of the pact be undertaken, it would have to be made in consultation with the various Powers interested in the Far East, Gen. Ugaki said.

"Where there is smoke there must be fire," Gen. Ugaki replied when questioned regarding press reports of French assistance to China. "The French authorities should know whether or not the press reports on that subject are true," he stated. The Foreign Minister noted that in spite of official French denials, the press continued to print reports of such aid.

In addition, the Foreign Minister said, information reaching the Gaimusho tended to support the allegations contained in press dispatches. That such reports were not totally unfounded Gen. Ugaki stated, was shown by the confirmation of dispatches that a French firm had concluded a contract for the building of a railway in southern China.

The Japanese Government, he declared, was not "contemplating" the occupation of Hainan Island, but even should the island be occupied it would have "nothing to do" with the Franco-Japanese treaty of amity of 1907.

The withdrawal of German advisors from Hankow was praised by Gen. Ugaki. The measure would deal a "painful blow" to the Chiang Kai-shek administration, he stated.

The strengthening of the anti-Comintern pact, he declared, was "quite advisable and its necessity is being felt all the more in view of the current situation."

Japan Friendly to U.S.

Turning to American-Japanese relations, Gen. Ugaki recognized that sentiment in the United States had been stimulated against Japan as the result of the events in China.

Japanese feeling against America, aroused to fever pitch by the discriminatory immigration legislation of 1924, had improved, the Foreign Minister said.

"There has been no change in the friendly sentiments of Japan towards America," Gen. Ugaki stated expressing the hope that America would come to "understand the prevailing state of affairs in a correct light."

Japan's naval policy, based on the principles of non-menace and non aggression, was unchanged, the Foreign Minister asserted. The Japanese Fleet he declared was sufficient for defence but insufficient for aggressive purposes.

Japan, he continued, has felt no menace from abroad "so far", but may be compelled to review her policy if actually threatened.

Referring to the internal situation in Japan, the Foreign Minister insisted that he felt that the present constitutional parliamentary structure was "best suited" to the country.

The Government, he continued, did not intend to invoke all the provisions of the National Mobilization Act, but "even should they be enforced" because of future developments, the constitutional system would prevail in the nation.

The National Mobilization Act, the Foreign Minister went on, had not been enacted against any specific country, nor was it necessitated by the seriousness of the hostilities in China or the threat from the Soviets. It was a precautionary measure against the possible outbreak of a serious emergency.—Domei.

Execution of 100 Amoy Formosans Alleged

Tokyo, June 13.

A Domei report alleges today, under an Amoy date-line, that approximately 100 of the 188 Formosans in Amoy were arrested by the Municipal Council there and were executed following the outbreak of the Sino-Japanese incident.

The Domei report proceeds to allege that the British Consul-General in Amoy, representing the local Consular Corps, "gave assistance to the Municipal Council in arresting the Formosans."

The report adds: "It is now understood that the Japanese Consulate-General at Amoy will shortly file a protest against the alleged assistance of the British Consul-General, who failed to make an investigation regarding the Formosans who enjoy extraterritoriality privileges as Japanese subjects."—Reuter.

More Japanese Exports Greatly Needed

Tokyo, June 15.

Stressing the necessity of promoting Japanese exports to third countries, the "Asahi Shimbun" pointed out today that the main objective of activities for the promotion of Japanese exports was the acquisition of gold currencies to pay for imports.

Simultaneously, the newspaper declared, the influx of manufactures from third countries into Manchoukuo, Central China and North China should definitely be checked.

Japanese traders and manufacturers, the "Asahi" went on, were pressing for increased exports to Manchoukuo, Central China and North China, in order to offset shrinkages overseas and in domestic markets.

At the same time, the journal added, the Ministry of Commerce was apparently planning to restrict Japanese exports to these Yen bloc countries at, or below, 1937 exports, notably cotton yarns, cotton tissues and woollen goods.—Reuter.

To Curb Exports

Tokyo, June 17.

All consumption of petrol except for productive purposes, must be banned, Mr. Seihin Ikeda, Minister of Finance, and Commerce and Industry, told the Cabinet Advisory Council yesterday.

He said restrictions on use of petrol must be enforced and consumption by private cars and taxicabs must be "extremely restricted," but motor lorries will be exempt.

Drastic restrictions must also be extended hereafter to the consumption of other important commodities.

Addressing the Central Council of the Traders' Association, Mr. Ikeda emphasized the necessity of increasing outgoing trade in order to import munitions and materials for expanding productive capacity of home industries.

The Finance Minister promised to provide assistance and facilities for increasing exports and said permission would be granted to import raw materials needed to manufacture goods for export.

Exports to China Curbed

Seeking to improve the balance of international payments, the Japanese Government will restrict exports of cotton yarns and piece goods to China, with the exception of Hongkong and Macao, effective on June 21.

The action is being taken on the grounds that exports to countries where a "yen bloc" exists, including North and Central China, of goods made from imported materials, will make no contribution to the improvement of the balance of Japan's international payments.

Tokyo Press Comment

The leading commercial daily "Chugai Shogyo," said that exports of cotton piece goods to China in the six months from June 20 to December 20 will be limited to 23,000,000 sq. yds. and cotton yarns to 500 bales.

Commenting on the Government's decision, the "Asahi" said restrictions of exports to Manchoukuo, North and Central China, which, form the "yen bloc," were inevitable because exports to those countries would "only serve to make worse instead of better the balance of Japan's international payments."

Objects of the formation of a yen bloc were said by the journal to be: development of imports of raw materials not produced in Japan, and opening of new markets on condition that the balance of international payments between Japan, Manchoukuo and China be improved.—Domei.

Japan Rejects Soviet Protest on Bombings

Tokyo, June 18.

Japan yesterday rejected the Soviet protest against the bombing of Canton by Japanese military aircraft, a Foreign Office spokesman announced today.

Describing the Soviet demarche as "wide of the mark," the spokesman revealed that Mr. Kensuke Horinouchi, Vice-Minister of Foreign Affairs, had urged the withdrawal of Soviet pilots from China and the cessation of the present practice of supplying armaments to the Hankow regime.

Soviet assistance to China, Mr. Horinouchi was reported to have pointed out, would only serve to prolong the present hostilities and bring increased suffering upon the people of China.

The Soviet representations were made yesterday by M. Constantin Smetanin, Soviet Charge d'Affaires.

Soviet Rights Questioned

The Soviet diplomat, the Gaimusho spokesman said, had urged on behalf of the Kremlin the suspension of air raids against Canton which had "aroused the indignation of every civilized nation as well as that of the Soviet people."

Mr. Horinouchi, the spokesman continued, had asked the Soviet charge d'affaires by what right and under what circumstances" the Moscow authorities were making the representations.

The Vice-Minister had told M. Smetanin that the Japanese Government could find "no reason" for the Soviet demarche, although it was of no concern of the Tokyo authorities what demands the Soviet people made upon its leaders.

Canton Fully Fortified

Mr. Horinouchi took issue with the Soviet diplomat regarding the allegation that Japanese aerial bombardments had been directed at non-combatants.

The entire city of Canton, Mr. Horinouchi was said to have pointed out, had been fortified. Similar defences had been erected in Nanking, Hankow, and other cities, the Vice-Minister was quoted as saying.

The Vice-Minister was also reported to have cited the use of Soviet aircraft manned by Soviet pilots in attacks on cities in Nationalist territory in Spain.

Mr. Smetanin, the spokesman said, had failed to give "a definite answer" with regard to the supply of arms and men to China.—Domei.

Soviet Protest Against Japanese Bombings

Tokyo, June 17.

A Foreign Office spokesman stated tonight that Russia had lodged representations requesting Japan to discontinue her aerial bombings in China.—United Press.

New Japanese Army Appointments

Tokyo, June 18.

Appointment of Col. Sadaaki Kagesa, who has been sectional chief of the Army General Staff and resident officer in Nanking, to the post of chief of the Military Affairs Section of the War Ministry was announced today.

Also announced was the appointment of Lieut.-Gen. Masuo Kimoto as Inspector of Artillery. He has been President of the Army Heavy Artillery School.

Commenting on the appointment of Col. Kagesa, well informed observers said he would prove to be a capable assistant of Lieut.-Gen. Seishiro Itagaki and Lieut.-Gen. Hideki Tojo, respectively War Minister and War Vice-Minister.

Col. Kagesa once served in the Military Affairs Bureau of the War Ministry and while with the Army General Staff took part in mapping out tactical operations in the present China hostilities.

He succeeds Col. Kaneshiro Shibayama.—Domei.

Provisional Government

Tokyo, June 14.

The Tokyo Office of the "Provisional Government of North China" has decided to establish superintendent's offices in Tokyo, Yokohama, Kobe, Nagasaki and Taihoku. The object of these offices is to safeguard the interests of Chinese overseas merchants' organizations.—Reuter.

Alleged Foreign Aid to China

Britain, France and Russia Under Attack; French Newspapers Surprised at Allegations

Tokyo, June 19.

THE Japanese press is becoming increasingly exercised over alleged foreign help to China. In this connection Great Britain is being indirectly attacked, but France, like Soviet Russia, is being openly denounced. The "Nichi Nichi," in an article today, says that the statement made by the Foreign Minister, General Ugaki, on Friday—that some Powers are prolonging the conflict by encouraging China—is understood to be a warning to certain countries.

If France is not really assisting Hankow, the newspaper asserts, she must prove it by facts and not mere statements.

Especial prominence is given by Japanese newspapers to the alleged construction by China and Russia of a railway from Chungking to Sinkiang via Chinghai. This line, it is stated would bring China's war-time capital within 67 hours of Moscow.

The "Asahi" accuses France of forgetting the spirit of the Franco-Japanese understanding of 1907, under which the contracting parties undertook to assure peace and security in the regions adjacent to their own territories. Japan, therefore, the newspaper argues, is entitled to a free hand in Hainan.—Reuter.

French Newspapers Reply

Paris, June 19.

The recent anti-French campaign carried on by the Japanese Press is still causing repercussions in French newspapers who express surprise at the accusations levelled in Japan. The local news organs refute Nipponese allegations of arms transports to China through Indo-China and query the Japanese declarations, especially in view of the fact that until quiet recently no detrimental statements had been made about the presence of German military advisers in Hankow.

"L'Ordre," conservative Centrist organ, deems the Anti-Paris campaign "of General Kazushige Ugaki, Foreign Minister in Tokyo, and the Government-inspired Press, both unjust and blundering considering the fact that there has been neither the alleged transit of arms through Indo-China to China, nor the asserted arrival of a French military mission to Generalissimo Chiang Kai-shek....whereas Japan could make real serious accusations against its German ally, who has heretofore despatched to China 60 or 75 per cent. of the total foreign armaments received by the Hankow Government."

Recalling the presence in Hankow until lately of General von Falkenhausen, leader of the German military mission which was only recently officially recalled, the same news organ writes that even now "those members of the mission who did not wish to return to the Reich have been authorized to stay in China."

The newspaper expresses indignation over the fact that reports of the breaches of neutral policy falsely ascribed to France "have been silently tolerated in Tokyo, when it was Germany who was really concerned." "Furthermore, these breaches have not prevented Tokyo from concluding a political accord with the Reich," "L'Ordre" continues.

Planned Before Hostilities

And with regard to reported Franco-Chinese parleys and the conclusion of an agreement on the construction of a South China railway, the news organ recalls that these conversations were begun before the outbreak of the Sino-Japanese hostilities last August.

"The Japanese Press campaign is not only unjust but also blundering. We wonder what it aims at? "We are fully aware that the Japanese are seeking to frighten us, but in trying this, they show an ignorance of the French character. The Japanese Press accusations, General Ugaki's 'regrets' and hidden threats will merely result in French opinion becoming hostile towards Japan and arousing definite and true sympathy for China."

Pointing out why Japan should refrain from rousing antagonistic feelings in France, "L'Ordre" recalls that France's decision to ban the transport of war materials through Indo-China in the future was only a courteous move vis-a-vis Japan.

"We abided and will abide by this decision, but one must remember that international law does not compel us to apply such a measure and Japan cannot invoke our neutrality since legally a state of war has not been declared....Suppose we are angered and declare to the Japanese Government, 'The false charges you are making against us will become a reality and henceforth war materials for China will receive free passage through our territory,'—this would only be a reply to Japan's attitude towards France. But it would certainly not simplify the Japanese Army's operations!"—Havas.

Japan's Economic Policy Defined

Tokyo, June 18.

A comprehensive war-time economic policy designed to exercise strict control over production, distribution and consumption was outlined at yesterday's "Inner Cabinet" meeting by Mr. Seihin Ikeda, Finance Minister, it was disclosed today.

The Finance Minister expressed his determination to put into effect an emergency "planned economy" policy for the prime purpose of making Japan's military operations in China as effective as possible.

To ensure adequate supplies of military equipment broad economic regulations must be applied to industry and trade and production must be increased, Mr. Ikeda emphasized in his statement to the five Ministers of the Inner Cabinet.

Ten-Point Programme

The financial policy explained by Mr. Ikeda included the following points:

1. Building up of a "new economic fabric" for carrying out military operations in China successfully;

2. Control of production, distribution and consumption to insure steady supplies of munitions;

3. Expansion of productive capacity by co-ordination of the economic programme between Japan and Manchoukuo and by pushing economic developments in China;

4. Development of steady imports from abroad of munitions unavailable at home and modification of restrictions on imports of raw materials for manufacturing goods for export, in view of the increases in out-going trade;

5. Linking of incoming and outgoing trade, enforcement of a bonded factory system and prohibition of the use in the home market of raw materials for manufacturing export goods;

6. Maintenance of the present yen exchange rate to check a rising tendency in prices;

7. Strengthening of control over the consumption of gold, platinum, copper, tin petroleum, rubber, cotton yarns and piece goods;

8. Saving of margin funds created by strengthening of control of consumption in order to help the absorption of Government bonds;

9. Enforcement of such provisions of the National Mobilization Act strengthening economic control;

10. Steps to "take the nation into the Government's confidence" regarding the actual economic and financial situation, encourage national co-operation.—Domei.

Japan's Last Genro Given Report

Okitsu, June 13.

Attesting to his continued active interest in national affairs, Prince Kimmochi Saionji, the only surviving "Elder Statesman," this morning received a detailed report on the political situation in the Capital from his personal secretary, Baron Kumao Harada.

The report, it was learned, dealt with the agenda of the forthcoming important meeting of the "Inner Cabinet" and the feud in the governing committee of the Seiyukai Party, of which Prince Saionji was once President.

Baron Harada, who is stationed in Tokyo, was summoned here by the 87-year old statesman to submit the report.—Domei.

Japan's Navy Occupies Chinmen Island

Tokyo, June 14.

Lifting a press ban, the Navy Office today revealed the occupation of Chinmen Island, 24 klms. east of Amoy, by a naval landing party on October 26 last.

The island is generally regarded as one of the two "keys" to the Formosan Strait. The other strategic point is the Mako naval base.

The population of the island, the naval statement said, has risen from 13,000 at the time of its occupation to 30,000 early in April.

Postal service was said to have been resumed between the island and the outside world. Daily necessities, the statement added, were being supplied by the Navy.—Domei.

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SHANGHAI NEWS

Western Areas Under Water

Shanghai in Grip of One of Worst Floods City Has Ever Known ; Many Motor Cars Stalled

Shanghai, June 18.

THE Western Districts of both the International Settlement and the French Concession yesterday were in the grip of floods which hid both roadway and pavement beneath swirling yellow waters, made motoring difficult, walking not only uncomfortable but a risk to the health and which resulted in a large number of shops being entirely cut off from customers for the entire day. Many cars were stalled, more particularly on Yu Yuen and Great Western Roads, where the waters were particularly deep.

While the Central District was comparatively free from flooding for a change—even the department store concentration at Chekiang and Nanking roads corner being almost "dry"—the same could not be said for a very large proportion of the streets—further west. A tour of the city yesterday afternoon by a "North-China Daily News" representative and a photographer revealed that Shanghai was in the grip of one of the worst floods it has ever known.

Avenue Joffre was free from flooding until Rue Baron Gros was reached. Floods were then noticed in side streets and, as Rue Chapsal was approached, the waters came more and more to the centre of the road. Past the tram island, "dry" land was reached once more, but at Rue Massenet the floods grew deep again and it was here that the "North-China Daily News" reporter observed practical application of the saying, "Here's mud in your eye," as a flashy sedan drove past a tram island at a most inconsiderate speed, drenching the unfortunate people waiting for a cheaper form of conveyance.

Turning right at Rue Cardinal Mercier, the Cathay Mansion-French Club corner was the next flooded area to be reached. The French Concession motor buses, which normally travel along Rue Bourgeat to Route des Soeurs before turning left again to reach Avenue Foch, were forced to turn at Cardinal Mercier instead, the road being practically impassable ahead, even to rickshaw traffic. The entire roadway at the corner was under water, the traffic policeman in the centre of the road being frequently splashed by passing traffic.

Sandbags Needed

The Cathay Mansions, which has sunk several feet since it was completed, had to adopt special precautions in the shape of boardings and sandbags to prevent the water from rushing in and flooding the ground floor and shops.

The floods gave out again just past the taxi station opposite the Lyceum Theatre. Moulmein Road was under water and so were both sides of Avenue Foch as far as Seymour Road. The "yellow sea" was then lost sight of for some time, but the floods were far from exhausted. They had not even started.

On approaching the Avenue Haig/Great Western Road corner, the real extent of the floods began to be appreciated. Down Great Western Road, further than the eye could reach, was nothing but water, water and a few motor cars ploughing their way through behind a mighty bow-wave. It was deep, too, even in the middle of the road, as the "North-China Daily News" reporter found out when the car stalled. A large crowd of exceedingly damp urchins immediately surrounded the vehicle, ready to push; fortunately, their efforts were not needed, but subsequent observation showed that they were making a steady profit from motorists passing that very spot.

Motor Lorries Lucky

Few rickshaws were seen, and the Country Hospital, Victoria Nursing Home and the many houses for a quarter of a mile around were completely isolated. Motor lorries clattered through without much trouble, their engines being much higher out of the water. Noticeable was the fact that most of the stalled cars were of the latest type, the fine "streamlining" in front apparently acting as a splendid guide for the water from road to carburettor.

Driving, too, counted for a lot, for whereas a few luxurious, large sedans were seen to shudder to a standstill, a baby two-seater car, driven by a young American lady, sped past, with wheels spinning, to apparently make a non-stop passage, despite small wheel-base and tiny engine.

Great Western Road was flooded to a varying degree for the greater part of its length and so was Yu Yuen Road, particularly in front of the Public Schools there. One could only be sure of a dry passage by boarding the top of a double-decker 'bus and even then, the sight of several stalled motor cars and motor lorries was not very re-assuring. Many of the shops on the north side of the road, near St. George's, were flooded out, bags of mud being rapidly impressed into more or less effective service after it was too late.

Hungjao a Quagmire

About the only people to apparently appreciate the flood waters were the drivers of Japanese military cars coming in from that quagmire which in normal times is known as Hungjao. The waters of Great Western Road seemed to grow even deeper in hue—if that were possible—as mud-encrusted cars drove through, to emerge on the other side looking a little better than when they went in.

As a result of yesterday's survey, it would appear that the worst floods were to be found in the vicinity of Tifeng and Great Western Roads, running for, say, about a quarter of a mile in any direction. Second came Yu Yuen Road where, possibly due to a slower moving traffic, more stalled motor cars were to be seen, although the flooding did not seem quite so bad. And third came the Cathay Mansions-French Club flood centre, which has now been under water for the greater part of this week.

After having had several of their vehicles stalled through too close a contact with the floods, operators of hire cars yesterday afternoon began to choose their customers. Those living or stranded in houses in the worst-flooded areas found that the hire cars were refusing to run the risk of coming to another standstill. The companies refused to send cars out to houses in the flooded areas, and rickshaw traffic, at premium rates, was the only solution.

What of Today?

In view of the fact that yesterday's floods occurred after Siccawei Observatory had predicted "overcast, with still some rain or drizzle, bright intervals," the prospect for today does not seem very encouraging, for the forecast at 4.30 p.m. yesterday was:—

"Rain or drizzle and south-westerly to north-westerly breezes over our regions. Local rain and fogs over the Yellow and Eastern Sea."

2,000,000,000 Gallons

Two thousand million gallons of water have fallen on the International Settlement (including the Western "outside roads" area to the Railway) since the rains started last Saturday night, according to an estimate made last night.

This staggering figure is based on calculations which indicate that approximately 200,000,000 gallons of water represent the precipitation throughout the area when one inch of rain falls evenly. It is figured that up to yesterday evening about ten inches of rain had fallen.

Central District Pumping

The Central District pumping system was put into operation for about two hours on Thursday only, when the rains threatened to create flood conditions downtown. The Public Works Department, further, is constructing a pumping system for the vicinity of Wing On's and Sincere's departmental stores, but this enterprise has not yet been completed and therefore could not be used to cope with this week's emergency. The flooding in the vicinity of Nanking and Chekiang Roads, however, has not been very serious. Another place in the Settlement proper where streets have been somewhat inundated is in Weihaiwei Road, near the Race Course.

The Western outside roads area still suffers from flood conditions, particularly such roads as Tifeng Road, Avenue Haig, Great Western Road, Yu Yuen Road, Jessfield Road and Kinnear Road. In that general area the creeks are overflowing with rain water, hence the ordinary type of pumping system cannot be installed to advantage. There is no blockage of the streams, however.

Attempted Suicide

Shanghai, June 16.

A Chinese woman was taken to St. Elizabeth's hospital at 7.11 yesterday morning suffering from a lacerated chin as the result of an attempt to commit suicide. The woman, who lived at 522 Tatung Road, jumped from an upper storey window.

Shanghai Floods Deep Enough for Empress Liner!

This is not a "fake" photograph, although it looks very much like one. The Canadian Pacific liner Empress of Japan, largest vessel to enter the harbour, found the waters of Yu Yuen and Tifeng Roads on June 18 deep enough to float in—or at least, a clever working model owned by the local office of the company and built by two Shanghai craftsmen did, to the enjoyment of a large crowd.

Assassin Gangs Sought

Shanghai, June 20.

Squads of detectives from the Louza Station were yesterday following the trails of the members of the daring gang which assassinated Mr. Jen Pao-an, chief of the Land Office of the "Ta Tao" Government, and a beautiful singsong girl, Hsuang Hung, on the night of June 18 in the well-known Pekingese restaurant, Tung Hsing Lou, 435 Foochow Road. Two other Chinese were seriously wounded, and taken to hospital after the shooting. Three others again escaped with slight injuries.

Mr. Jen was the host at a dinner party in the upstairs portion of the restaurant when three members of the gang walked in and started shooting at the guests with rapid-firing Mauser pistols. Some prominent Japanese guests had just left, but there were still two Japanese in the room, who however eluded the rain of bullets. The assassins escaped, leaving two pistols behind. Several persons were subsequently picked up by the police and questioned, but at a late hour yesterday it was not believed that any of the principals had been apprehended. The pistols found were examined by arms experts of the S.M.P. yesterday.

Another murderous attack of a political nature took place at House 51, Lane 410, Haiphong Road, said to be the residence of an official in the "Reformed Government" of Nanking. Here three men entered on the evening of June 18 and one of them fired two or three shots at a man whom he took to be the official. Instead, it is understood, he wounded another Chinese, not politically important, in the leg. This gang likewise escaped.

Girls Directing New Taxi Service

Shanghai, June 16.

Hongkew's new midget taxi company has "midgets" also on its staff of directors, the "Mainichi" disclosed yesterday. Three of the four girl directors of the Konan (Kiangnan) Industry Kungssu, which operates the taxi service, are still in their 'teens, the paper said.

The feminine executives of the firm arrived in Shanghai on the afternoon of June 14 aboard the ss. Shanghai Maru. They are Miss Wakaba Motoori, 19, daughter of Mr. Nagayo Motoori, well known composer; Miss Toyo Michiaki, 19; Miss Mitsuko Ikeda, 19, and Miss Hsiako Ikeda, 26.

Miss Motoori formerly was a popular singer of children's songs, the "Mainichi" said.

Among the passengers on the Shanghai Maru on June 14 were Mr. Yuichi Yamamoto, Manager of the Takao branch in Formosa of the Mitsubishi Bussan Kaisha and Mr. Karoku Kuroda, Vice-Chairman of the Nagasaki Chamber of Commerce and Industry.

Mr. C. H. Lowe Departs

Shanghai, June 18.

Mr. C. H. Lowe, Chief of the Publicity Department of the China International Famine Relief Commission and Secretary of the Publicity and Appeals Committee of the Shanghai Internation Red Cross left yesterday for Hongkong to undertake a new piece of work. His departure marks the end of a period of fruitful service here in Shanghai.

Mr. Lowe took up residence in Shanghai in 1927 when he accepted a professorship at Chih Tze University. The next year he joined the National Committee of the Y.M.C.A. as its Industrial Secretary. In 1932 he opened the Y.M.C.A. Industrial Centre on Ferry Road and personally supervised its activities.

When the China International Famine Relief Commission organized its Income Production Department in 1934, Mr. Lowe was asked to join the Commission to take charge of income production and publicity work. Later he became the Director of the Commission's Shanghai Office and concurrently Chief of the Income Production Department. When the C.I.F.R.C. moved its head office to Shanghai in 1937, he became the Chief of the Publicity Department, which position he held until his departure today.

During his four years of service with the C.I.F.R.C., he made two trips abroad in the interest of famine relief. The first trip was taken in the summer of 1936 when he visited 21 Chinatowns in the United States, Japan and Canada. The second one was taken last summer when he conducted a financial campaign in the Hawaiian Islands. Besides securing a large sum in contributions, he also organized the China Famine Relief Committee of Hawaii, which is affiliated with the C.I.F.R.C. in China.

His years of experience in publicity and campaign work qualified him to be the secretary of the Publicity and Appeals Committee of the Shanghai International Red Cross. And in that capacity he has served the S.I.R.C. most efficiently.

Mr. Lowe has been feted extensively by his friends during the last few days.

Women Struck by Debris

Shanghai, June 21.

Two Chinese women were taken to St. Elizabeth's Hospital yesterday morning after a portion of a Chinese house, 371 Gordon Road, had collapsed. The accident occurred at about 7.15 o'clock, when the roof and a wall fell, possibly because the structure had been weakened by the steady rains. One of the women had suffered bruises, while the other had no visible injury. Firemen from Sinza Station removed the debris.

"Empress of Japan" Comes Into Port

Shanghai, June 19.

The liner Empress of Japan occupied the limelight in the Canadian Pacific offices on The Bund yesterday morning. No, it was not actually the Blue Riband holder of the Pacific suddenly coming into port without warning and without regard for schedules, but one of the cleverest models of a modern steamer ever to be seen in Shanghai. Additional interest is afforded by the fact that she was built by two local residents, who have expressed the wish to remain anonymous for the time being.

The model is forty inches long, and is a power-driven miniature of the real liner Empress of Japan. She is equipped with twin screws, which are driven by an electric motor, the energy for which is derived from dry-cell batteries within the hull; the batteries also furnish the current for the electric lighting of this beautiful little model, which took about five months to build.

She is painted in the real Empress colours—white above the water line, green below—with her three funnels and portions of her superstructure a gleaming cream, as are her 20 dangling life-boats, which add the final touch of realism to a fine model.

Late yesterday afternoon, the "Empress of Japan" entered the water, choosing as the scene of her maiden voyage the large lake formed by flood waters at the junction of Tifeng and Yu Yuen Roads, outside the Bubbling Well Fire Station. Amid the cheers of a large crowd of spectators, she ploughed steadily through the muddy waters to establish a record of x knots for the distance: her owners reported themselves completely satisfied with the performance.

Mr. A. J. R. Hodges

Shanghai, June 21.

At the S. V. C. Club on June 18 a farewell presentation was made to Chief Inspector A. J. R. Hodges of the Public Works Department. The presentation took the form of a Rolex wrist watch and was handed to the recipient by Mr. N. W. B. Clark, Deputy Commissioner, before a representative gathering of friends and colleagues. Mr. Clark in a happy speech alluded to the length of service of Mr. Hodges in the employ of the S. M. C. He came to China in 1910 and was employed with the Honan Coal Mines for six years. He joined the S. M. C. in 1917 and continued in their employ until his retirement, a period of 22 years. He retires with the rank of Chief Inspector.

Mr. Hodges joined the S. V. C. in 1917 and earned the long Service Medal, also the S. M. C. Emergency 1938 Medal. He was a member of the Engineer Company from 1917 to 1920, Reserve Co. 1923 to 1932, and Shanghai Field Co. 1932 to 1938.

Mr. Hodges was a keen lawn bowler and figured in many a final and semi-final of the Shanghai championships. He leaves on the Rajputana today with the wife, one son and a daughter, and takes with him the best wishes of his many friends.

Members and friends of the Shanghai Junior Golf Club gathered yesterday evening at the Central Club to wish farewell to Mr. A. J. R. Hodges, an old member and prominent skip of the Lawn Bowls section, on his departure from Shanghai upon retirement.

The opportunity was also taken to present Mr. Hodges with a silver cigarette-box and cigarette-case, suitably inscribed.

In making the presentation, Mr. K. L. Swartzell, vice-president of the club, regretted that it was necessary to bid farewell to one of the oldest and most active members of the Club as everybody present looked upon Mr. Hodges as their friend. Joining the Club over 20 years ago, Mr. Hodges concentrated upon golf, attaining the enviable handicap of 8. Later he took up lawn bowls where he achieved equal success especially shining as skip.

After the presentation, the recipient responded in a few brief, well-chosen words. His health, and that of his family, was drunk with musical honours and further wishes expressed for a happy retirement.

THE Whangpoo River Conservancy is making arrangements to resume its operations, says a message to the "Standard." Local Japanese authorities, it is reported, have agreed, in principle, to release the various dredging vessels of the Conservancy which were seized by them shortly after the withdrawal of Chinese troops from Shanghai last November. Negotiations on detailed measures for the return of the vessels are expected to be held in the near future. The authorities of the Conservancy, according to the report, today called employees of the vessels to receive instructions from the Conservancy.

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SHANGHAI NEWS (continued)

American U. Club Annual Meeting

Shanghai, June 16.

The reports of the president, Mr. A. C. Cornish; the treasurer, Mr. Bruce Smith; and secretary, Mr. Alfred Lee, having been read, members of the American University Club, at the annual meeting held yesterday at tiffin in the American Club, elected officers for the 1938/39 season:—Mr. Arthur Bassett, president; Mr. William Z. L. Sung, vice-president; Mr. Bruce Smith, treasurer, and Mr. H. C. Chen, secretary.

Opening the meeting, Mr. Cornish pointed out that the reports of the officers indicated a good season and an excellent membership, but owing to the hostilities the programme committee had secured only two speakers throughout the year, Dr. W. W. Yen and Father Jacquinot. The Club had been as active as the circumstances had permitted. Although the annual spring prom had been omitted, he felt that their club, unlike exchange, was not declining rapidly.

"Earns His Tiffin"

Mr. Frank P. Lockhart, American Consul-General and a guest of honour, said that he had tried to avoid making a speech, but that the president insisted that inasmuch as his tiffin had been paid for, he would have to earn it. The speaker felt, however, that with exchange the way it was, they would be lucky if they got 40 cents (gold) worth. Mr. Lockhart then read a psychologist's opinion, that having had a heavy meal no person could be at his best—he sympathized with what his audience would hear in the following two or three minutes. In conclusion, after reviewing the aims of university clubs, he felt that the Shanghai body would emerge from this period stronger and a more vital force in their chosen field.

"After what my predecessor has said, I fear that there only remains about 4 cents worth," began Col. Charles F. B. Price, O. C. the 4th Marines. He felt that such a society as the American University Club was destined to great usefulness, inasmuch as it was composed of men, who, in a sympathetic and friendly spirit, have made a study of broader problems than those of the immediate neighbourhood. ".....It will be difficult for future governments to lead their peoples in ways which they do not wish to travel," he said and hoped for this reason an extension of the spirit of the American University Club.

Treasurer's and Secretary's Reports

The treasurer pointed out that the Club had completed the trust fund of $2,000 for the J. B. Lee Scholarship Fund, that the current account was ample, that they had sufficient gold reserves, and that Mr. Milton Bates was appointed a trustee.

The membership of the club, observed the secretary, owing to the departure of many, had dropped from 462 to 419, of whom 167 were life members, but that in autumn with the return of graduates from American schools the number would reach former proportions.

Judge Milton Helmick, past president, in the absence of the president—elect, closed the meeting with a few brief remarks.

Chapei Waterworks

Shanghai, June 15.

After being suspended for nine months since the beginning of hostilities in the Shanghai area, operations were resumed at the Chapei Waterworks on June 13, the "Mainichi" said yesterday.

A ceremony marking the reopening of the plant was held at 10 o'clock in the morning near the filter bed of the former Chapei Waterworks Company on Hasegawa Street (Cha Yin Road), with a group of officials present and a Shinto priest of the Shanghai Jinja officiating.

The waterworks can supply 100,000 cubic metres of water daily, the paper said. Reconstruction of the plant was completed by labourers and engineers of the Waterworks Bureau of Nagoya, Japan, under the supervision of the Hsing Chung Kungssu.

Members of the Shanghai Municipal Police on June 17 received medals conferred by the Council in recognition of their services during the emergency last year. The medal is bronze and is attached to a red and white ribbon with thin black stripes and a narrow yellow border. The Municipal crest is on the obverse, while the reverse bears the legend: "For Services Rendered—August 12 to November 12, 1937." The medal was presented to the Police on June 17 without ceremony.

Don Pedro Pirated Near Haimen

Shanghai, June 20.

According to latest information, Portuguese coaster Don Pedro, operated by the China Foreign Steamship Corporation, arrived in Ningpo yesterday morning after being held up on the way by pirates, who kept her for two days.

She left Wenchow on June 15 for Ningpo, but five hours after her departure ran aground in the Sungmen Island group, before reaching Haimen. As she was waiting for a higher tide, a gang of pirates arrived in several junks, and went aboard.

Posting sentries at the radio operator's room to prevent a call for help, they ransacked the ship. Passengers and crew were searched and robbed of money and valuables amounting to several thousand dollars, and took away a dozen of cases of cigarettes and general cargo which they loaded into their junks.

Vessel Released

Early on June 18 a vessel believed to be a foreign gunboat, appeared in the vicinity, at the sight of which the pirates quickly decamped taking with them the ship's compradore, who is believed to be held for ransom.

The piracy was first reported by fishermen who passed the spot and reported to the company's Wenchow office that their vessel was aground and attacked by pirates.

At the time of the disaster there were some thirty Chinese passengers aboard, a considerable amount of cargo including 750 cases of cigarettes, and a crew of about 50 Chinese sailors and members of the compradore's staff. The vessel flies a Portuguese flag and is commanded by Capt. X. F. Maher. It is understood that the local Portuguese consulate have asked the Foreign Naval authorities to help them to get the victim released.

The Don Pedro leaves Ningpo this afternoon and is expected to arrive here tomorrow morning.

H. M. S. Adventure Appears

June 21.

It is learnt that the Portuguese coaster the Don Pedro is still discharging in Ningpo and is not expected to leave that port for Shanghai before today, in which case she should arrive sometime tomorrow morning.

The ship was pirated off Chekiang coast on June 15, when she went aground off Sungmen Island, while proceeding from Wenchow to Ningpo. Pirates arrived in a number of junks and remained aboard for two days pillaging the vessel and passengers, until the appearance of H.M.S. Adventure in the vicinity frightened them off the ship. They decamped in great hurry early on June 18, taking along with them some 20 cases of general cargo, besides money and valuables amounting to several thousand dollars, stolen from the passengers and crew, and the ship's compradore.

When the news of disaster reached Shanghai, the local Portuguese consulate asked the Foreign Naval authorities to help in search. The British Naval Authorities communicated with the H.M.S. Adventure which was proceeding from Hongkong to Weihaiwei, and the warship steamed to the place of piracy. At that time, however, the Don Pedro was already in Ningpo, and search for pirates proved fruitless as no trace of them could be found in that vicinity, and H.M.S. Adventure resumed her voyage to Weihaiwei. It was later stated that H.M.S. Falmouth had also taken part in search.

The exact amount of loot is not yet ascertained as the cargo is still being discharged in Ningpo, but the latest reports indicate that most of the goods remained intact, contrary to the original reports which stated that 750 cases of cigarettes were taken away. The company estimate the loss at some 20 to 30 cases of general cargo, among which are about a dozen cases of cigarettes.

Japanese Prince Here

Shanghai, June 19.

Captain Prince Tsuneyoshi Takeda, a member of the Japanese Imperial family, left Shanghai yesterday for Japan after a three-day stay here on a month's tour of study of the battlefields in China.

His Highness, who is 29 years old, graduated from the Japanese Army Staff College on May 30. He left for North China early in June and visited Hsuchow and Nanking on his way here.

During his stay in Shanghai, Prince Takeda granted audiences to a number of non-commissioned officers and men with whom he served in a cavalry regiment in Japan when a lieutenant.

Chinese Embassy in Japan Closed

The Chinese Embassy in Japan has been closed, Mr. Y. C. Yang, Chinese Charge D'Affaires, arriving in Shanghai June 14 en route to Hongkong with the skeleton staff left behind. Above the Embassy, below, Mr. Yang making a farewell call on Mr. Kensuke Horinouchi, Vice-Minister of Foreign Affairs.

Drug Raids

Shanghai, June 16.

Believed to be among the principal agents of a ring supplying drugs to smugglers on board the U.S.T. Chaumont and other American vessels, four Chinese were arrested by the Settlement Police, in co-operation with French detectives, yesterday in the course of a number of raids in the Settlement and the French Concession. The arrests came as a result of information received from the United States, following the arrest of a mail clerk on the U.S.T. Chaumont and another member of the crew some time ago. These two men have already been charged with smuggling narcotics.

The men arrested yesterday were a merchant of the Louza district; a tailor catering to American sailors, for which purpose he has a pass to go aboard vessels in the harbour; a jeweller whose shop was formerly in East Broadway and now in Bubbling Well Road; and one more Chinese whose identity could not be ascertained last evening.

The first arrest was made on the Bund. Thereafter members of the S.M.P. Narcotics Squad, under Sub.-Inspr. A. Rhind, visited a number of addresses, at which the three other suspects were taken into custody. Detectives of the Narcotics Squad were following up clues gained from correspondence seized during the raids earlier in the day at a late hour last night. Further arrests were confidently expected.

The arrests bring to an end a long search for the suppliers of narcotics to American seamen and others travelling between Shanghai and Pacific Coast ports. It is understood that two of the suspects taken yesterday were holders of passes from the U.S. Naval authorities for boarding American warships.

Cholera Is Officially Declared Epidemic

Shanghai, June 21.

The Commissioner of Public Health, S.M.C., has reported to the Health Committee and the Municipal Council that cholera is now present in epidemic form within the International Settlement (including outlying Municipal roads). Epidemicity is defined as the occurrence of an average daily number of three new cases for one week. Cholera was not declared epidemic in the International Settlement earlier owing to the large number of cases notified which were later proved to be not true cholera.

Inoculations still are being administered in large numbers.

Refugees Aided

Shanghai, June 15.

Moving to assist refugees in finding new occupations, factory and mill owners in Shanghai have agreed to co-operate with the Federation of Charitable Charitable Organizations, Chinese society, Chinese reports said yesterday.

Under a set of tentative resulations, the Federation will investigate the refugees' former occupations and furnish the necessary information to the mill owners. Decisions regarding the employment of such persons will rest with the mill owners, the Federation only supplying refugees as applicants.

The employers will be solely responsible for the supervision of the refugee workers during working hours, but the Federation will assume responsibility after working hours.

The refugee workers will be accompanied to work and after hours by the Federation's representatives so as to ensure uninterrupted supervision.

Refugee workers will be required by the Federation to deposit a portion of their wages, at least 10 per cent., as savings so that they may have some money upon retirement. The Federation will give the workers an account of their savings.

The cost of the refugees' food will be deducted from their wages.

While the Federation will defray the funeral expenses for a refugee upon his death, the employer will be required to make a donation when a refugee worker meets his death during work.

Houses Burn Next to Refugee Hospital

Shanghai, June 17.

A disastrous fire blazed in the West Hongkew district early yesterday morning when flames severely damaged three Chinese houses in Lane 49, North Chekiang Road, adjoining a refugee hospital.

The premises affected were a "joss" paper factory, an iron-works and a tea hong. The alarm was given a few minutes after 1 a.m., when the flames had gained considerable headway. Central Station firemen sped to the scene and worked for nearly two hours to extinguish the blaze. A watch was subsequently set over the premises.

Owners of baggage left at various stations along the Shanghai-Nanking Railway, which were removed to the Hengyang Station on the Canton-Hankow Railway following the shifting of Sino-Japanese hostilities westward from Shanghai last year, may reclaim their belongings at the above named station as from tomorrow, according to an order issued by the Ministry of Communications which is printed by the "Hwa Mei Chen Pao." The period of reclamation will last a month, says the order.

Business Girls' Home Needed

Shanghai, June 17.

The need for a residence for business girls in Shanghai—the subject discussed at a monthly meeting—resulted in negotiations with the Y.W.C.A. with a view to the establishment of such a residence, reported Mrs. Ivor E. G. Hunter, Chairman, at the annual meeting of the Joint Committee of Shanghai Women's Organizations held on June 15.

In her speech the Chairman said:—

The recent hostilities in and about Shanghai curtailed the activities of the Joint Committee to a very great extent so that no regular meeting was held until December, but from then on, monthly meetings have been held as usual on the third Wednesday of each month. We have enjoyed the hospitality of the Netherlands, German, Chinese, Italian, British, Y.W.C.A. and Tiffin Club groups—this international hospitality being one of the most delightful features of the Joint Committee.

Care of Children

It was felt that this past year was not an opportune time for any great activity on the part of sub-committees—therefore I have very little to report on their behalf; the Civics Affairs Committee under Mrs. C. W. Pettit prepared and presented the "Comparative Study on Food Prices." at the December meeting, the Vocational Guidance Committee under Mrs. A. W. Sherriff have carried out some English teaching and review of commercial subjects for unemployed girls at the Y.W.C.A. rooms; the Fresh Air Fund Committee have temporarily turned over their activities to the King's Daughters' Society by giving them a lump sum to take care of a specified number of children this summer as the Hungjao Road camp has been discontinued. Mrs. G. E. Marden and Mrs. C. W. Pettit were appointed to represent the Joint Committee on the Y.W.C.A. special committee responsible for getting the residence for business girls started.

The election of officers resulted as follows:—

Chairman, Mrs. Ivor E. G. Hunter; 1st Vice-Chairman, Mrs. Van Hengel; 2nd Vice-Chairman, Mrs. E. Edwards; Recording Secretary, Mrs. E. Colter; Corresponding Secretary, Mrs. A. R. Leitao; Treasurer, Mr. C. G. Meichers; Programme Chairman, Mrs. Van Hengel; Publicity Chairman, Mrs. Launcelot Giles; Nominating Chairman, Mrs. P. Muto-Nardone; Fresh Air Fund, Mrs. A. Grossman; Vocational Guidance, Mrs. A. W. Sherriff.

Woman Fatally Burned

Shanghai, June 19.

A tragedy occurred at the staff quarters of the Dah Kong Cotton Mill in Haichow Road at 3 a.m. yesterday when a Chinese woman worker was burnt to death in a bed. Other workers attempted to save her life, and extinguished the flames. A Fire Brigade ambulance took the victim to the Lester Chinese Hospital, where she was pronounced dead. The bed which had caught fire was virtually destroyed.

In a fire in Lane 563, Broadway East, shortly after 6 a.m. one Chinese house was gutted and five others were badly damaged, the first floors and roofs being partly consumed by the flames. Hongkew firemen extinguished the blaze in a little over an hour.

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"N.C.D.N." Photos.

Shanghai Streets Flooded

These photographs, taken at the height of the floods on June 16, show the streets of Shanghai in what has almost become a common-place state these days—under water. Rickshaws were at a premium and Shanghailanders did not begrudge having to pay somewhat more than usual, for these ubiquitous vehicles possess the fortunte ability of being able to mount pavements and come right up to the front door without difficulty.

Local Japanese to Ask More Funds

Shanghai, June 17.

Dissatisfied with the allotment of rehabilitation funds by the Japanese Government, 80 Japanese residents here have started a movement to urge the Government to grant more money to the Shanghai area, a local Japanese newspaper said yesterday.

The group asserted that Japanese residents here should have at least twice the sum granted to Japanese in Tsingtao because the Japanese who remained in Shanghai during the hostilities suffered greater losses than the residents of Tsingtao, who evacuated that port at the beginning of the conflict.

Japanese in Tsingtao have been allotted Y.10,000,000, while Japanese in Shanghai have been granted only Y.4,500,000, the local group complains.

At a meeting at the Japanese Club on Wednesday the group discussed measures for appealing to the Government, the "Nippo" said. An agreement was reached to urge the Consulate-General and the Japanese Residents' Corporation to appeal for more funds, and to send a petition direct to the Government.

The Industrial Association, the Federation of Amalgamated Street Unions, Japanese Emergency Committee and other organizations will unite behind the appeal, the "Mainichi" said.

Plans for Campaign

June 20.

For the second time in a week, Japanese residents gathered at the Japanese Club, Boone Road, on June 18 to discuss plans for a campaign to secure a larger allotment of Government rehabilitation funds, in the form of low-interest loans, the Shanghai "Nippo" reported yesterday.

Charging partiality in the disposal of the funds, disgruntled elements in the local community pointed out that while Tsingtao Japanese were getting Y10,000,000, only Y4,500,000 had been earmarked for distribution in Shanghai, the daily said. The conference was attended by representatives of the Federation of Amalgamated Japanese Street Unions, the Industrial Association, and other local groups.

Stating that their Chinese trade connections had been destroyed by the current hostilities, a number of those attending the conference insisted that large loans would be necessary for their rehabilitation. Another meeting will be held on June 23.

Large Reception Held For Sergt. G. T. Allen

Shanghai, June 20.

More than seventy of his comrades bade farewell on June 18 to Sergeant George T. Allen, who left the Shanghai Municipal Police on June 17 after twelve years' service to return to England and engage in the dairy business. A farewell reception was held in the badminton grounds of the West Hongkew Police Station, Haining Road. The large attendance representing Police Headquarters and all Stations, attested the great popularity of the departing police officer.

A triple presentation was made to Sergeant Allen on behalf of the foreign and Chinese personnel of the Police. Inspector W. H. Pike, attached to the Legal Department of the S.M.C., spoke for the gathering, referring to Sergeant Allen's career and service in two local "troubles" and wishing him health and prosperity at Home. A toast was drunk by all those present. Cold supper was served in the course of the evening.

The gifts were a seven-storey silver pagoda on a base adorned with the Municipal crest, a large silver cigarette box likewise bearing the Council's coat-of-arms, and a handsome silver Buddha.

Sergeant Allen expects to leave Shanghai at the end of this month by steamer for America. He will motor across the United States and then proceed by ship to England. He intends to settle at his home town, Billericay, Essex, where he will join his father as a dairyman.

New Japanese Finance Commissioner

Shanghai, June 15.

Mr. Bunzo Kubo, Secretary of the Ministry of Finance, has been appointed Financial Commissioner in Shanghai in succession to Mr. Minoru Inamori, who has been named chief of the exports section of the Ministry, according to local Japanese newspapers. In celebration of the appointments the two men were hosts at a tea party attended by leaders of the Japanese community at the Japanese Club on the afternoon of June 13.

Mr. Takeo Yumoto, supervisory official of the Ministry of Finance for the Bank of Japan, has been appointed Financial Commissioner at Peiping, succeeding Mr. Ryuta Chno, who has been named Director of the Bureau of Finance of the Ministry, according to a report from Tokyo.

Vice-Admiral Le Bigot Gives Reception

Shanghai, June 20.

Vice-Admiral Le Bigot, commander of the French Naval Forces in the Far East, and the officers of the French cruiser Lamotte Picquet, gave a brilliant reception aboard the flagship, on Saturday.

Among the large number of guests who attended this function, were: the Belgian Ambassador to China and Baronne Guillaume, the British Ambassador to China and Lady Clark Kerr, the Polish Minister to China and Baronne de Weydenthal, the Czechoslovakian Minister to China, Mr. Tani, Japanese Ambassador-at-large; the Danish Minister to China and Baronne de Oxholm, the Swedish Minister to China and Baronne Beck Fris, the Swiss chargé d'affaires, the counsellor of the French Embassy to China and Mme. F. Knobel, the French Acting Consul General and Mme. P. Augé, Admiral H. Yarnell, commander of the U.S. naval forces in the Far East, Maj.-Gen. Telfer-Smollett, commander of the British military forces, in Shanghai, Rear-Admiral Nomura, and many others.

The flagship was specially decorated for that occasion, and a temporary spell of good weather contributed to the success of this reception which lasted well into the night.

It is announced that the Vice-Admiral Le Bigot sails today for Nanking and Wuhu in the French gunboat Dumont d'Urville, which arrived on June 18. Capt. Gribelin commander of the cruiser Lamotte Picquet is in charge of the local French Naval Station during the Vice-Admiral's absence.

Tyre Bursts, Sends Man to Hospital

Shanghai, June 17.

A young Chinese was hard at work inflating the tyre of a motor car near the intersection of Avenue. Edward VII and Szechuen Road a few minutes before 8 o'clock last night, when suddenly there was an explosion. The nearest policemen arrived at the double, seeing a man lying unconscious on the ground and thinking that a bomb had been thrown. A hasty examination, however, showed that it was merely an over-inflated tyre which had burst under the strain. The man was rushed to hospital, where he was found to be suffering from a fractured skull.

Even Automobiles Are Temperamental

Shanghai, June 15.

Everyone knows that temperament is confined exclusively to film stars. But is it? Judging by the queer antics of a motor car yesterday, temperament, has forsaken the sun-drenched lands of California, and, like the "love-bug" of the now-famous film song, has bitten a victim in the rain-sodden city of Shanghai.

Left by its owner, who had entered the Chase Bank building in Nanking Road yesterday afternoon, a lone automobile stood all forlorn in the pouring rain.

Ten minutes passed and no owner appeared, and the car became wetter and wetter. Suddenly, breaking the stillness of the afternoon, came three short blasts of the electric horn. Passers-by, including a reporter who is used to unusual happenings, stared unbelievingly. Peering inside the car, as if in search of an invisible man, the reporter found no sign of life, and he began to walk away. No sooner had he walked a few paces when a few more short hootings came from the interior of the bonnet.

By this time the suspicions of a policeman on point duty had been aroused, and he made his way warily towards the offending automobile. He had got within striking distance when he was met with a few more unmusical notes from the car. With a "You can't do that there 'ere" look on his face, he inspected the four wheeled musical box, and within a few seconds the car was again hooting merrily.

The cause was plain to see, however, as the owner had just appeared at the door of the building and was making his way to the car. As if overjoyed at the presence of its master the notes blared forth for a minute or two and then stopped.

The owner entered the vehicle and drove away.

Imitation Coins Seized

Shanghai, June 16.

Preparations to flood Hongkew with counterfeit 50-sen coins were nipped at 8 o'clock last night when a party of detectives from Police Headquarters, under Detective Sub-Inspector B. Maklaevsky, and in co-operation with the Japanese military police, raided House 41, Lane 1172 Ferry Road.

Four Chinese, one a woman, were arrested when the police discovered several hundred dollars' worth of counterfeit coins, mixed with genuine coins; a number of plaster-of-paris casts for manufacturing the coins, and a quantity of zinc, aluminium and iron. The Chinese were all natives of Fukien and were being questioned last night; further arrests are expected.

American School Graduation Day

Shanghai, June 17.

"Too much selfishness and the menace of materialism on the one hand, and the changing political philosophies developed in recent years on the other, are showing their disastrous consequences in almost every nation, and in the attitude of one nation to another. Suicidal strife seems to be their fruits," said Mr. C. W. Petitt, of the Board of Management, when giving the address at the twenty-second annual commencement exercises of the Shanghai American School which were held in the Community Church yesterday.

Those on the platform were:—Mr. Petitt, Mr. R. S. Burnes, the new Principal; Mrs. N. F. Allman, American Association of University Women; Mr. E. Harris, Mr. C. S. Franklin, Chairman of the S.M.C.; Mr. F. P. Lockhart, Acting U.S. Consul-General; M. Pierre Auge, French Consul-Gen. Col. Charles F. B. Price, Mr. R. E. O'Bolger, Mrs. Cornish, representing the American Women's Club; Mr. Victory Hanson, and Mr. Ernest M. Hayes.

Graduating Scholars

The graduating class of 1938 were as follows:—Georgina Dolores Amador, Lydia Mary Bills, Richard Bertrand Carbonnel, Violet Maejean Chun, Marjorie Esther Clayton, Bent Damsgaard, Marjorie Moore Guss, Edith Frances Henry, Alexander Gregory Liosnoff, Ruth Elizabeth Louis, Margaret Frances MacDonald, Robert Emmett Manders jun; Helen Murr McFadyen, William Lister Pott, William James Joseph Reilly, Frances Eliza Riddick, Douglas Welford Ridgway, Daniel Collins Terry, Sterling Hegnauer Whitener, and Mary Jane Wolcott.

Awards

The list of awards was as follows:—American Association of University Women prize, Ruth Elizabeth Louis; Chamber of Commerce Prize, I. W. L. Pott; 2, Ruth E. Louis; 3, Coris Lewis; British Sealed prizes, R. B. Carbonnel and Frances Eliza Riddick; McLachlin cup, M. Bills; Atkinson cup, R. E. Louis; Squires cup, D. C. Terry; Alliance Francaise prize, Constance Brooks; athletic awards, Marjorie Guss, Richard Carbonnel, Douglas Ridgway, William Pott, Leo Ball, Lyman Hale, and Lorents Jorgensen; Honour roll, R. E. Louis, W. Pott, M. Wolcott, S. H. Whitener, and L. M. Bills.

Wounded Student Walks Twenty Kilometres

Shanghai, June 19.

With three wounds in his arms and thigh, a senior of Tungwen College, the Japanese institution in Shanghai, trudged 20 kilometres through mud and rain to safety in Tsingpu, the "Shanghai Nippo" reported yesterday.

The student, Mr. Tatsuo Tsumaki, was a member of a party of five members of the Japanese Army's Pacification unit at Tsingpu which was ambushed by Chinese guerillas near Paihaokangchen, 20 kilometres out of Tsingpu, on June 16.

Mr. Tsumaki, accompanied by Mr. Ken Seto, another Tungwen senior, joined the pacification unit to investigate economic conditions. While visiting the Paihaokangchen area on foot on June 16, they were suddenly fired at from ambush. Mr. Tsumaki, wounded, jumped into a near by creek. His four companions, unable to locate him because of the darkness, returned to Tsingpu.

After walking 20 kilometres in spite of his bleeding wounds, Mr. Tsumaki returned to Tsingpu on June 17.

Three Chinese Burned

Shanghai, June 19.

Three Chinese were seriously burned and scalded at about 9.30 o'clock yesterday morning as a result of the explosion of a defective boiler on board a launch moored in the Soochow Creek near the Chapoo Road Bridge. A Fire Brigade ambulance conveyed them to St. Luke's Hospital, where it was found they had suffered burns all over the body.

THE health report of the French Municipality for the week ending June 14, shows that the total number of deaths from all causes amongst the foreign and Chinese population in the Concession were—Foreigners, 17 and Chinese 339. Deaths from notifiable diseases were—Foreigners, Cholera 1, and Chinese, Typhoid Fever 22; Tuberculosis 15; Cholera 5, Pneumonia 3; Beri-beri 2, and Dysentery, Cerebrospinal Meningitis, Smallpox, Mumps 1 each.

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SHANGHAI NEWS (continued)

IN THE RUSSIAN COLONY

BY "SIROY"

Shanghai, June 20.

The arctic, antarctic and tropical adventures of explorers form a subject of inexhaustible interest. Yet while the world has read much of non-Russian explorers, it knows practically nothing of Russian ones. Scott, Amundsen, Shackleton, Sven Hedin, Admiral Byrd and Sir Hubert Wilkins occupy their niche in every geography school-book, but only since the names of Otto Schmidt, Ivan Papanin and other members of the Soviet North Pole Expedition were flashed across the world's headlines last year, did the world begin to link Russian names with exploration.

Long before this achievement of the Soviets, however, Russia knew the names of such outstanding explores as Admiral Kruzenstern, Admiral Nevelskoy (the 80th anniversary of whose death occurred recently), Peter P. Semeneff, given the title of "Tien-Shansky" for his discoveries in the Tien-Shan range near the Himalayas, Col. V. P. Kozloff, who excavated an ancient city buried beneath the sands of Mongolia, Prof. V. V. Sapojnikoff, who explored and charted the Altai Mountains, and G. N. Potanin, his famous teacher. Admiral A. V. Kolchak, well-known for his political activities during the Civil War, was likewise a heroic explorer. In 1903 he set out in a small boat in search of the lost polar expedition of Baron Tohl ice-bound somewhere in the Arctic Ocean.

Hunters Use Fire

Another explorer, whose book of memoirs has just been republished in Soviet Russia, was Prjevalsky, who started on the first of his two famous trips in 1867, exploring the Ussurivsky region, the southern part of the Maritime provinces that had recently been annexed to Russia. The rich flora and fauna of this belt where the south met the north seemed to have stirred the imagination of the explorer. Certainly there is a strain of poetry running throughout his accounts of hunting in the almost impenetrable forests abounding with bear, sable and tiger, of fishing in the Hanka lake so teeming with fish that they were killed by a ship's wheels and often jumped on to its very deck, and even of the insects near the Sungacha river that were so plentiful that "in walking through a field they swarm about the feet in clouds that can be compared only to a swirling snow-storm." In summer tall grass overgrew the plains and fields, and to facilitate hunting the natives set fire to the limitless sea of dry grass. The mighty fire spread with terrific speed, and the awesome picture of hundreds of animals and birds fleeing before the columns of smoke is, once seen, says Prjevalsky, forever inscribed in the memory.

The first time he saw this sight was on his way to Vladivostok, then a newly established Russian town of soldiers' barracks, five foreign houses, approximately ten Chinese huts and a number of stores where goods of the most inferior quality shipped from Shanghai and Hamburg were sold to the Chinese at outrageous prices by four astute foreign merchants.

The native population of the Ussursky region was composed of Chinese, the "Goldi," a tribe of hunters and fishermen, Koreans, and the "Orochi"—a primitive tribe of nomad huntsmen in the evolutionary stage of savages. There were also 5,000 Cossacks who lived in little military villages, or "stanitzas," situated 10 to 25 versts from one another and forming the outposts of Russia. They were sent here from the Transbaikalia by lot, and regarded their new neighbours as enemies and themselves as exiles.

Accompanied by his young companion Nicolai Yaginoff and two or three Cossacks, Prjevalsky travelled by water, on horesback, or, along narrow perilous trails, by foot. He slept on the snow, with a log fire the only proof against a cold that made it impossible to touch anything made of metal, and, again, in a climate that vied with the tropics.

In New Guinea

No account of the exploits of Russian explorers would, of course, be complete without a mention of N. N. Miklukha-Maclay, the man who wanted to present Russia with New Guinea. In 1866 he visited the Madeira Island, the Canary Islands and Morocco. In 1869 he traversed the shores of the Red Sea and made a scientific tour of the Near East. In 1871 he visited Patagonia, Chihli and several islands of Oceania on the naval brig "Vitiaz," and in the September of the same year demanded that he be left, with only the bare necessities of life and his two servants—a Polynesian and a Swede—in the Bay of Astroliabia, a particularly wild corner of New Guinea. In spite of the dissuasions of the captain and the crew, Miklukha-Maclay was adamant in his wish, and it was finally decided that in a year's time another ship would be sent to take him back. It was the general opinion, however, shared by the Imperial Geographic Society in Petersbourgh—that with the savages that were known to inhabit newly-discovered New Guinea, in a year's time there would not be much left of him or his servants to take back.

Miklukha-Maclay's account of his life among the aborigines makes thrilling reading. Time and again he barely escaped death from poisoned arrows, and once was seriously down with fever. Finally, however, the natives decided that "the man from the moon," as he was to them, was harmless enough, and friendly relations ensued. He was able to carry out all his scientific and ethnological observations, and when the "Izumrud" sailed despondently into harbour next year, ready to search for his remains, he was found occupying the office of "moon-god" in the natives' inter-tribal wars.

In the following years Miklukha-Maclay made many other trips, often visiting territory completely unknown to the natives themselves. After his death his works—76 in number—were translated into English, German and Dutch.

Combatting Illiteracy

Methods of combatting illiteracy among local Russian youth were discussed at a meeting of Russian-language teachers in the premises of the Russian Women's League on Thursday, June 9. It was decided that the various local Russian schools will be asked to include grammar-courses in all classes, even the highest. The walls of classrooms should, it was further resolved, be hung with charts and pictures of educational value. As there is a dearth of good reading material in the local Russian book-market, a member of the Teachers' Union leaving for Harbin was asked to see into the possibilities of books being purchased in that city. The next meeting was set for not later than September 2nd. In spite of the fact that this Union is of fairly short standing, having so far met for only six times, a study, by specialists, of such questions as the fight against illiteracy, the improvement of the standard of writing, and the using of education to forestall de-nationalization of Russian youth, has already had beneficial effects.

Lovers of the Ukaranian Theatre were given a rare treat when Gogol's "Viy" was produced at the Hall of the College Municipal Français last week. The size of the audience, the hearty laughs which followed each comic situation, and the applause after the vocal numbers all testified to the success the Ukrainian actors enjoyed. Of these the principals were Miss L. Kisilieva, Mr. L. Gaidarov and Mr. V. Dubrovsky. Enhancing the effectiveness of the presentation was the excellent chorus and the accompanying symphonic orchestra conducted by Mr. D. Zaks.

A troupe of local actors and actresses at present in Harbin are piling success upon success, Harbin newspapers and letters received from that city state unanimously. Especially have Harbin audiences been won over by the talented actress Miss V. V. Panova. The troupe, headed by Mr. V. I. Tomsky, has so far given four performances, taking in the sum of $3000.

Russians in India

The Russian colony also watches with interest the fortunes of members of local Bohemian circles in India. After an absence of six months, Miss L. Nikitina and Mr. N. Svetlanov, popular ballet-dancers, have returned here from India and tell of their meetings with Russian Shanghailanders in that country. In Colombo the artist A. Safronoff is painting the murals of the Halifax Hotel." His work is highly valued, and he finds time to do a considerable amount of painting on Indian themes. In Colombo, also, the dancers met the well-known impressario M. A. Karpi, where he is managing the Viennese orchestra of Gabor Radic. In Madras they met the ballet-duo of Fokin and Kravhenko, who, however, shortly left for Calcutta. In Bombay they came across the ballet-duo of Vladimir and Nina Artinelli, who were touring the summer resorts. While in Singapore, they spent much time with the artist V. Zasypkin, who has his studio and pupils and is the centre of the artistical life of that city. Connoisseurs are showing inerest over his work, and there is a chance that he will leave for England. The young Shanghai artist Mr. V. Tretchikoff is also in Singapore, working in a British advertising firm. The famous ballet-dancers Kira and Boris Lisanevitch are apparently staying permanently in Calcutta, where Boris is the secretary of the fashionable "Three Hundred Club." "Musicians," says Mr. Svetlanov, "have little difficulty in finding work in India. They are valued highly." As regards themselves, Miss Nikitina and Mr. Svetlanov have little to say. That, however, is done amply by cuttings from Indian papers which tell of their highly successful tour of the principal cities of India.

An interesting meeting of the Russian Medical Society was held in the premises of the Russian Confraternity Hospital on Friday, June 17. Dr. I. E. Rozenzweig demonstrated X-ray pictures of a man sick of Caudia equina and Conus medullaris, and of one afflicted with several intestinal diseases. Dr. A. V. Tarle then talked of the latest progress in the field of chemical terapathy.

Community Gossip

Mrs. Z. M. Markhinina Secretary of the Executive Committee of the Russian Women's League, is shortly leaving for Australia. A meeting devoted to her was held at the League premises recently, in the course of which a short play written for the occasion by Miss Fuller, the English teacher of the League's school, was staged. Dances produced by Mrs. O. N. Malinina also formed part of the programme, which culminated in tea being served to all present and a valuable token of gratitude being presented to Mrs. Markhinina by the League's Chairman, Mrs. E. L. Unterberger.

A requiem service in memory of Khoren I, the recently-deceased Kalikatos of all Armenians, was held in the Russian Cathedral last week. Many followers of the Armenian-Georgian faith were present at this service, being met at the church portals by Mr. M. G. Melik-Nubarov, one of the leaders of the local Armenian colony.

Mr. N. N. Iazikoff, a well-known journalist, left recently for permanent residence in the United States. Mr. Iazikoff arrived here from Serbia over six years ago, and since then has worked on various Russian newspapers.

Last week's meeting of the literary club "Monday" was something of a gala affair, being attended by various representatives of the colony's Bohemian circles. During the meeting a letter received from Prague was read out to the audience, asking the local club to collect material dealing with the life of Russian emigration in the Far East, and to send it to the Russian Cultural and Historical Museum in Prague.

Mr. V. N. Kostevitch, a young Russian pianist who for the last seven years, has lived in Italy, has recently arrived in Shanghai and tells of the life of Russian emigrants in that country. Small Russian colonies exist in Milan and other principal Italian cities, states Mr. Kostevitch, composed chiefly of men and women who arrived in Italy ten or twelve years ago and who by now have opened little commercial concerns of their own. The centre of Russian emigration in Italy is the Russian Orthodox Church in Milan, with which is associated both cultural and charitable work. A major care of Russian emigrants in Italy is to conserve the national spirit in their children. The principal difficulty in this respect lies in the absence of Russian schools. Extremely friendly relations exist between the Russian colonies and Italians. The latter, a musial nation, are especially fond of Russian music, a fact evidenced by the invariable inclusion of at least two Russian operas in every repertoire of the famous La Scala Opera House of Milan.

BY SAPAJOU

Commandant Pierre Castel

Commandant le Premier Bataillon de Marche de Chine (Shanghai)

Armed Robbers

Shanghai, June 15.

A grim pistol battle was fought out by robbers and the Settlement Police yesterday afternoon when detectives from the West Hongkew Station arrested a gang which apparently was about to rob a house in the Sinza district. Nearly thirty rounds of ammunition were fired by both sides, but only one man, a suspect, was wounded.

Acting on secret information, Detective-Sub-Insp. J. T. Shields, Detective-Sergeants Gibson and Rossington and Chinese detectives left the West Hongkew Station at 12.30 and went to some supposed meeting places of the gang. They finally spotted the men, south of the Soochow Creek, in Shanhaikwan Road near Tatung Road. There were four bandits in the gang and as the police swooped down on them one of the men started to run south in Tatung Road.

The robbers opened fire and the detectives responded with lightning speed. The man who was fleeing was brought down by police bullets at the corner of Tatung Road and Avenue Road. Altogether 27 bullets were fired from police pistols and the bandits' rapid-firing Mausers. The detectives disarmed two of the men and confiscated Mauser pistols. They also seized 26 rounds of ammunition which the desperadoes did not get a chance to fire.

A Fire Brigade ambulance took the wounded bandit to the Police Hospital. It was found he had been shot in the chest and leg, and his condition was described as critical. He is under a police guard.

The other prisoners will be brought before the First Special District Court today.

Robbers Seize Goods

Three robbers, one of them being armed with a pistol, entered a house —2062 Great Western Road—yesterday, and made off with property to the value of $120. No shots were fired, and no arrests were made, the robbers making good their escape. The robbery occurred at about 10,30 a.m.

Kiaochow Road Robbery

Property, the value of which has not yet been ascertained, was stolen when four armed robbers, entered House 5, Lane 388, Kiaochow Road at 10 a.m. yesterday morning. The robbers, who spoke the northern dialect, did not fire any shots.

Brenan Road Robbery

June 16.

Money, jewellery and clothing to the value of $250 was stolen late on June 14, when ten robbers, five of them armed, entered a house situated at 81 Brenan Road.

No shots were fired, and the robbers, who spoke Kompo dialect, made their escape before an alarm could be raised.

Five Robbers Captured

Five Chinese, two of whom were armed with pistols, entered 1141 Rue Lafayette yesterday at about 6 p.m. and held up the occupants whom they robbed of clothing, money and jewellery of considerable value. They left the premises before the police were notified, but as they were leaving, one of the occupants followed them unobserved and pointed them out to the alley watchman. The latter followed one of the robbers all the way from the house to Bd. de Montigny. There, as the robber approached a police patrol on duty, watchman pulled out his police whistle raised an alarm and had him arrested.

Questioned at the police station, the robber indicated the meeting place of the gang, a small hotel off Yu Ya Ching Rd., where two more members of the gang were arrested and one pistol seized.

These in turn pointed out another address where two more arrests were made, the second pistol confiscated, and the whole of the loot recovered. The loot was retrieved within three hours after the robbery took place.

Robbers Haul

Three men, one of them being armed with a pistol, stole money and jewellery to the value of $170, when they entered No. 16 Zung Kyi Li, off North Soochow Road at 11,30 p.m. on June 14.

The robbers, who spoke Chekiang dialect, did not fire any shots.

Hold-Up Suspects Arrested

June 18.

Extensive enquiries by the French Police following an armed hold-up on May 24, have resulted in the arrest of four men who are alleged to be members of the gang perpetrating the robbery.

After being shadowed for some time, a Chinese, believed to be the ring-leader, was arrested on the corner of Rue Buissonet and Boulevard de Montigny yesterday. In his possession was found a Mauser pistol.

On being questioned at the police station he implicated three more Chinese, and they were arrested at Room No. 422, Hotel Ou Kong, in Foochow Road. All three admitted participating in the hold-up. Further enquiries are now being made.

Spoke Anhwei Dialect

Money and jewellery to the value of $500 was stolen last night when five men, two of them armed with pistols, help-up the occupants of House No. 14, Lane 632, Connaught Road, and absconded before an alarm could be raised.

According to the victims, the robbers spoke Anhwei dialect, and the entry into the house was made at about 9 p.m.

Hit and Run Driver

Shanghai, June 16.

The French authorities are determined to take steps against reckless drivers, who in the course of the last three days have been responsible for at least two grave traffic accidents. These accidents were occasioned by foreign drivers and in each members of French Police Force were seriously injured.

On June 13 at about 0.35 a.m. a police patrol composed of a Russian auxiliary constable and a Chinese policeman were proceeding along Route Pichon, when a motor car driven by a foreigner suddenly appeared and before they could dodge, they were both knocked over on to the pavement. Taken to hospital badly wounded, they still remain there under treatment.

Two days later French Police auxiliary Constable Kacharoff was travelling in public rickshaw near the intersection of Rue Lafayette and Route Pichon at about midnight when a foreign-driven automobile hit the rickshaw, seriously injuring both the occupant and the puller. The driver fled after the accident while the badly-hurt victims were taken to hospital. Pieces of shattered glass from broken headlights were found on the spot.

Persons having any information which may lead to identification of the driver or vehicle responsible for this accident are asked to communicate with the French Police Central Station, addressing themselves to the Service de la Sûreté.

WEDDING

Wilkinson-Hammerton

Shanghai, June 19.

The wedding took place yesterday afternoon at Holy Trinity Cathedral, after a ceremony in the morning at the British Consulate, of Mr. Thomas Edward Wilkinson, Sub-Inspector in the Shanghai Municipal Police, and Miss Lilian Hammerton, formerly on the staff of the Asiatic Petroleum Co. (North China), Ltd. Dean Trivett officiated.

The bride, who was given away by Chief Inspector R. C. Hall, was dressed in a gown of cream charmeuse made with a cowl neck and long tight-fitting sleeves. Her fan-shaped train fell from the waist from fine pleats. She wore a halo of tulle and orange blossoms from which a tulle veil fell to the waist, and carried a bouquet of white gladioli. The matron of honour was Mrs. A. W. Chapman and the bridesmaid Miss Joy Lavington. They wore frocks of delphinium blue organdy over blue satin. Their blue-veiled hats were of straw to match with crowns of pastelshaded flowers, and they carried small Victorian bouquets. Mr. G. F. Rhodes was best man and the ushers were Mr. S. V. Gash and Mr. G. R. Park.

After the ceremony a reception was held at the house of Chief Inspector and Mrs. R. C. Hall at 27 Columbia Road. The bride wore as her going away dress rose-pink uncrushable linen with a bolero jacket, white hat and white accessories.

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Swedish King's Birthday

SPECIAL TO THE "N.C.D.N."

Shanghai, June 16.

The Swedish nation and Swedes the world over today will observe the 80th birthday of their beloved King, Gustaf V. During his long and eventful reign the principals of liberal monarchy, powerful cabinet and a democratic nation firmly have become established.

When Oscar Gustaf Adolf was born in the summer of 1858 as the eldest son of the then Duke and Duchess of Östergötland, the Bernadotte dynasty was still relatively young; the generation to which the present King of Sweden belongs was the first to be seriously connected by links of birth and relationship to the ruling royal lines of Europe.

Prince Gustaf, Duke of Värmland, in 1872 became Crown Prince of Sweden and Norway (the latter until 1905). Gustaf's 35-year long Crown Princeship fell in an epoch when monarchical Europe was yet strong and powerful. On the Continent the German Empire was dominant, and it was not surprising that Crown Prince Gustaf, like his father, sought his bride in its royal constellation. His marriage with Victoria of Baden was celebrated in Karlsruhe on September 20, 1881. Subsequently the Swedish Royal Family became united by marriage with foreign ruling dynasties.

An English Bride

In 1905 Gustaf Adolf, eldest son of the then Crown Prince Gustaf, married the English Princess Margareth, daughter of the Duke of Connaught, the brother of Edward VII. In 1908 the marriage was contracted between

King Gustaf V of Sweden

King Gustaf's second son, Prince Wilhelm, and Princess Maria of Russia. In 1897 Gustaf's brother, Prince Carl, had married Princess Ingeborg of Denmark. The importance such royal relationships possessed at that time may not be underestimated; they were of importance to King Gustaf's personal orientation and experience in the realm of foreign policy, and thereby also of value to his land.

Gustaf V's period of government as Crown Prince and King coincides with the epoch of modern democracy. Its starting point can be placed in several respect to the year of the Union separation, 1905, which for a great many reasons characterized the close of an older period and the beginning of a new. Palpable changes in the structure and administration of the Swedish community took place during the first years of the 20th century, though great alternations admittedly had been commenced and completed previously.

In a manner praiseworthy in its nature the State authorities had solved several of the most important public problems—the Customs, defence and basic taxation questions. The Parliamentary representation reform of 1865 had been a progressive step at its time, but soon it transpired that it was unable to answer the demands of a social system which was undergoing strong growth and change.

The case for social reform and universal franchise was pressed more and more sharply by the parties of the Left, the Liberals and Social Democrats. They were able to motivate their claims in this case by references to the effects of industrialism and to the whole social development of the community which had already given rise to new party groupings and induced desires for changes in the Constitution and the State administration.

The King's Problems

The relation between the Royal Power, the older social system in which the landed proprietor and State official constituted such a notable feature, and the democratic people's movements which were developing was the one great problem with which King Gustaf was faced; the other was foreign policy.

Von Andrea di Cione's Conception of Lepers

Developments have revealed that he possessed great qualities for solving both these tasks. King Gustaf's personal disposition reflected some of the best sides of the new spirit of the age, loyalty and conscientiousness, industriousness and freedom from ostentation and phrases. The King's liking for open-air life, his strong interest in sport, were typical characteristics of the time likewise his often-revealed sympathy for sickness and suffering.

Increased Respect for Sweden

Undoubtedly the defence decision of 1914 contributed to increase respect for Sweden's neutrality on the part of the combatant Powers. This neutrality also became the lodestar of King Gustaf and his constitutional advisers during the perilous war years, during which Sweden was more than once in danger of being implicated in the struggle.

That Scandinavia in its entirety was able to remain out of the conflict was due not in the least to the internal understanding, unity and peaceful aspirations of the Scandinavian State leaders. Credit for this is to be ascribed for the greater part to King Gustaf. In December 1914 the three Scandinavian kings met at his invitation in Malmö, where the plan was drawn up for co-operation as regards neutrality which, to the advantage of the Scandinavian countries, was followed at least during the first years of war.

This meeting, and its successors, signified not only support and assistance in the difficult situation created by the war, but it also signified the burial in oblivion of the old grudge between Sweden and Norway and created conditions for mutual understanding in the future.

Wise and magnanimous expression of his views was given by King Gustaf at another Royal meeting, this time at Christiania at the end of November 1917. "I should be sincere neither to myself not to history," said the King, "if I said that what happened in 1905 can yet have been forgotten. That which then occurred gave the idea of unity to the Scandinavian peninsula a deep wound, to the healing of which I for my part earnestly wish to contribute. It is for that reason, Your Majesty (Håkon VII of Norway), that I am present today to say to your Majesty and the former Union brother; 'let us create a new association, not of the old kind, but an association of the understanding and the heart, the vitality of which I hope will be of a more enduring nature than the former.'" And he concluded his speech by declaring; "Let us therefore take each other by the hand as a sign of our firm will to work in this spirit for the happiness and prosperity of our three peoples."

Royal Collaboration

The personal authority of the old Monarch, his long experience, his independence of parties, have been a source of counsel and support for the changing Swedish Ministries. In a specially-marked way King Gustaf has become the link between old and new in Sweden. He maintains the ancient and distinguished traditions of the Swedish Kingdom with dignity and simplicity.

He represents the constancy and continuity in Swedish State affairs, but he has also, like the people's King he is, a true human understanding of the legitimacy and rightfulness in new developments, of social reforms and of the necessity and blessings of progress.

Swedish Reception

Shanghai, June 17.

In honour of the 80th birthday of His Majesty King Gustav V of Sweden, Baron Johan Beck-Friis, the Swedish Minister to China, was host at a reception last night at his home in Amherst Avenue to members of the diplomatic corps, consular body, army and naval forces represented here, as well as a large number of prominent local residents.

Shanghai Lepers Affected by War

SPECIAL TO THE "N.C.D.N."

Shanghai, June 15.

In the Triumphal March of Death, painted by Von Andrea di Cione in 1376, a group of lepers with several common and classical mutilations are depicted. They are represented as marching under pressure, as though forced by death. And just that is leprosy and death while living.

A similar group of local lepers has been subjected once and again to make forced marches to escape immediate death due to war while en route on their more slow march of death due to the disease from which they are already suffering. War is cruel.

For the third time in nine months, the leper population of the Shanghai leprosarium were compelled to escape the dangers associated with war. Although not one of the lepers suffered bodily harm, and only one had to be buried on the wayside, the lepers have suffered hardships and misery such as has been the lot of their fellow sufferers for millennium.

Forced Out by the War

On September 16, 1938 a group of 45 lepers left their palatial quarters at Tazang with only the barest necessaries of life. Some clothing, some bedding a few pots and pans were hastily piled into what trucks were available and under the leadership of Dr. C. L. Wang, their superintendent, were transferred to servants quarters in the then Chinese controlled Chungsan Hospital at Fengliang-chiao. All supplies, records, books and equipment, had to be left behind. The things that might have led to self support, such as ripened fields of vegetables, dairy stock, chickens, carpenter shops, industrial work all at one moment became a total loss to the Mission to Lepers.

In Daily Terror

The Fengliangchiao area, after a few weeks, too, fell in hands of the Japanese and with it the lepers became virtual prisoners. All their fellow countrymen almost to the last man escaped before the approaching Japanese soldiers and crossed the bridge into the French Concession or marched onward to more distant Chinese occupied territories. But the lepers remained in daily terror of what might happen. From the Domei correspondent it was learned that the Japanese soldiers were as afraid of the lepers as were the lepers of them. At times the lepers were treated as lords and much food was provided them; at times their presence was not desired.

One lone foreigner ministered to the needs of these lepers. Daily he could be seen with vegetables, meat and medical supplies strung over his back, winding his way through the friendly French police lines, and the Japanese lines. This went on until December 7, when by mutual agreement with the Japanese military, and the Concession authorities the lepers were removed into the Concession.

Isolation Instituted

True to their principles of helping all types of outcasts, the Salvation Army, through the sympathetic Brigadier Morris, opened to these lepers two large and roomy matsheds in the Ferry Road Camp. Proper isolation was immediately instituted and the leprosarium rapidly increased in patients, picked up from the streets. Thus serving the community as an isolation camp for their much feared disease.

THE daily report of refugee work for June 19 follows:—No. of Camps under inspection by Public Health Department 128; No. of refugees therein 74,070.

OBITUARIES

Mr. A. J. H. Carlill

Shanghai, June 19.

Well-known to the older generation of Shanghai residents, and to the senior members of the Shanghai Club and Race Club in particular, news has been received from England of the death of Mr. A. J. H. Carlill.

Mr. Carlill, who was about ninety-two years of age, was a founder of the firm of Dodwell & Carlill, now Dodwell & Co., and he retired from business in Shanghai many years ago. He joined the Shanghai Club in 1877, and was also an active member of the Race Club.

A very keen horseman, Mr. Carlill astounded many of the younger generation by riding in paper hunts when over seventy years of age. His Sunday luncheons, at which only his intimate friends were present, were a feature of his life. Each guest had for his own use a silver match box and ash tray, these representing the number of times he had won paper hunts. Usually the guests numbered about twelve.

A slightly built man, Mr. Carlill owned a fine string of cross-country ponies, and was a very successful rider. After retiring from business he resided in England, but, for many years, he visited Shanghai during the winter months in order to ride on the Racecourse and across country.

Mr. Carlill was of a charitable nature, and on one occasion gave £12,000 to a hospital in memory of his father.

Mr. Friedrich Druen

Shanghai, June 16.

In the presence of many mourners funeral services were held yesterday afternoon at the Bubbling Well Cemetery for the late Mr. Friedrich Drüen, with the Reverend E. Krueger, of the German Church, officiating. Mr. H. Simon played a prelude and postlude on the organ. The deceased has been a resident in China for the past thirty-five years and was for several years connected with the Whangpoo Conservancy Board as mechanical engineer. After a short illness with heart trouble. Mr. Druen died on June 13 at the General Hospital at the age of sixty-four years. He is survived by his widow, Mrs. Nangio Druen, and daughter, Miss Minna Druen, both of whom were present at the funeral services. The pallbearers were Messrs. W. Gundelach, J. H. Schläger, H. Pawelzig, F. L. Schoettler, F. Schmüser and V. Kolle, all friends of long standing. A beautiful spray of yellow gladiolas was lowered on the coffin into the grave.

Branca M. Guterres

Shanghai, June 17.

In the presence of relatives and friends of the parents the remains of the late Branca Maria Guterres, infant daughter of Mr. and Mrs. J. M. Guterres were laid to rest in Lokawei Cemetery yesterday afternoon. The chief mourners were the father and mother and the grandfather and grandmother. The little white casket was carried to the grave by Messrs. M. H. Guterres, Mario A. Ferras, F. Henke and A. M. Guterres, Jr. The services were conducted by the Rev. Father McDonald, S. J. of the Church of Christ the King. A little cross of carnations was lowered into the grave with the casket, this tribute being from Mummie, Daddy and Anita.

Sergeant R. Grapth

Shanghai, June 21.

There was a large attendance of members of the French Army, French Navy, French Police and of the French Community at the funeral of the late Sergeant Robert Grapth of the French Army who passed away at St. Marie's Hospital on Saturday at the age of 33 years. At 9 o'clock Mass was celebrated in the Church of St. Pierre, Avenue Dubail by the Rev. Father Chalain, S. J. The casket which was draped with the French flag and on which rested deceased's uniform and cap was carried into the Church by six of his fellow Sergeants. At the close of the service a cortege was formed and proceeded to Lokawei Cemetery. This was headed by the wreath bearers, then followed the motor hearse with an armed escort of twelve men (six on either side of the hearse) and then the mourners. The Rev. Father Chalain again officiated at the graveside where an address was delivered by Lieutenant Souat. A spray of white roses from the widow who is en route from France to China was lowered into the grave with the casket.

Chinese Worker Killed

Shanghai, June 18.

A Chinese machine worker was caught in a piece of machinery at the Ewo Cotton Mill, 670 Yangtszepoo Road, yesterday afternoon, and crushed. His injuries were so severe that he was dead when admitted to St. Luke's Hospital, where he was taken in a Fire Brigade ambulance.

Memorial Service for Mrs. Zue Fong How

Shanghai, June 15.

A memorial service was held yesterday afternoon at the Moore Memorial Church on Yu Ya-ching Road for the late Mrs. Zue Fong How. The cortege left from the parlours of the International Funeral Directors attended by the immediate relatives and as the coffin entered the church sacred music was played on the pipe organ by Mrs. Clara Chen.

The service opened with the singing of a hymn, "Rest For The Weary," after which the Reverend Z. S. Tsu read the scripture lesson. A eulogy written by the directors of the Commercial Press, Ltd., was read by Mr. K. S. Chang, chairman of the Board of Directors, which was followed by a two minute silence. The Reverend Z. K. Zia then led the congregation in prayer and Mr. David Tai rendered a violin solo, "Ava Maria" by Gounod, accompanied by the organ. The combined choirs of three churches then sang "Peace, Perfect Peace."

After another scripture reading by Elder S. K. Ing, Miss W. Z. Wu sang a beautiful vocal solo, "Ava Maria" by Lucci. Mr. V. Z. Kau delivered another eulogy about the quiet and sacrificing life of the deceased and the choir rendered another hymn, "Nearer My God To Thee." The sermon was delivered by the Reverend Y. T. Lee, which was followed by a prayer by the Reverend Z. H. Tong. The congregation stood and repeated the Lord's Prayer and the Reverend Z. T. Wei pronounced the benediction.

During the singing of the last hymn, "I Love To Steal A While Away," the coffin was slowly carried to the waiting motor hearse, preceded by the officiating clergymen and speakers, and followed by the chief mourners. The pallbearers were Messrs. F. S. How, Dr. A. Ting, C. W. Bau, Wilfred Wong, C. L. Bau, K. F. Wang, C. Z. Bau, Frank Ling, Z. L. Chang and S. N. Chow. The coffin will remain in the funeral parlours until interment at a latter date.

PERSONAL NOTES

MR. A. D. Calhoun has agreed to serve on the Finance Committee of the Municipal Council.

CMDR. Daniel Callaghan has been appointed Naval Aide to President Roosevelt by the Navy Department.

H. E. GUILIANO Cora, Italian Ambassador to China sailed for Hongkong on June 14 in the mv. Victoria.

LIEUT.-Col. Lovat Fraser, Military Attache to the British Embassy to China, sailed for Tientsin, in the ss. Shengking, on June 15.

COMMANDER J. D. M. Ham, R.N., Engineer Officer of the Yangtze, left in the ss. Empress of Canada on June 15 for Hongkong, en route for Hankow.

MR. C. C. Chen has agreed to serve on the Council's Education Board in place of Mr. K. H. Ling, who resigned recently on his departure from Shanghai.

LIEUT.-Col. Sabattier, former military attache to the French Embassy in China, accompanied by his wife and two children sailed in the mv. Marechal Joffre, on June 20 for Marseilles.

MAESTRO M. Paci, conductor of the Municipal Orchestra, left the Country Hospital on June 13, having recovered from a serious operation. He will leave early in July on three months sick leave.

FR. E. GHERZI S. J. (Weather Service Zikawei Observatory) left on June 14 to attend an International Meeting of Marine Meteorology in Utrecht. He expects to be back on duty in October, this year.

MR. Y. C. Yang, Charge d'Affaires of the Chinese Embassy in Tokyo, passed Shanghai on June 14 on the way to Hongkong, with five other members of the Embassy staff, in the ss. Empress of Canada.

AT a general committee meeting of the St. Andrew's Society held on June 17, Mr. R. D. Murray was elected President of the Society in place of the late Mr. W. B. O. Middleton, and Mr. W. J. Keswick was elected Vice-President.

MR. Y. Hanawa, manager of the Mitsui Bussan Kaisha, has accepted the invitation of the Municipal Council to serve on the Watch Committee in place of Mr. K. Satoh, who resigned recently on his departure from Shanghai.

MR. C. J. Chancellor, General Manager for Reuters in the Far East, left Shanghai on June 13 for Tokyo. He is accompanied by Mr. S. S. Moosa, who will act as Reuter's Chief Correspondent in Japan during the absence on home leave of Mr. M. J. Cox, who is leaving with his wife for England early in July. During Mr. Chancellor's absence from Shanghai, Reuter's office will be in the charge of Mr. K. Selby-Walker.

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Shanghai Stock Exchange Official Weekly Share Report with Closing Quotations, June 17, 1938

REPORT No. 24/1938 for week ending June 17 (Friday), compiled by the Shanghai Stock Exchange

Stock	Comparative Opening Cash Prices: This Friday Morning June 17, 1938				Last Friday Morning June 10, 1938				Business Recorded During Week Closing To-Day, Friday Morning: Highest		Lowest	
	Buyers	Sellers	Last Sales	Nom.	Buyers	Sellers	Last Sales	Nom.	Cash	June	Cash	June
Banks, Finance Companies												
Central Properties, Ltd.	....	....	....	14	....	....	....	14	....	....	....	....
China Bond & Share Co., Fed. Inc., U.S.A.	....	....	....	15	....	....	....	15	....	....	....	....
China Finance Corp. Fed. Inc., U.S.A.	....	....	....	0.50	....	....	....	0.50	....	....	....	....
Hongkong & Shanghai Banking Corp.	....	•1,455	....	•1,460	....	•1,460	•1,500	....	....	....	....	....
Inter. Invest. Trust Co. of China Ltd.	....	....	....	3.20	....	....	....	3.20	....	....	....	....
Shanghai Loan & Investment Co., Ltd.	....	....	....	3.20	....	....	....	3.20	....	....	....	....
Union Mobiliere	....	....	....	19.50	....	....	....	19.50	....	....	....	....
Yangtsze Finance Co., Ltd.	....	....	4.50	....	....	....	4.50	....	....	....	....	....
Insurances												
American-Asiatic Underwriters (ord.)	....	....	....	10	....	....	....	10	....	....	....	....
Asia Life Insurance Co.	40	....	25	....	40	....	25	....	....	....	....	....
Assurance Franco-Asiatique	....	....	....	90	....	....	....	90	....	....	....	....
International Assurance Co., Ltd.	....	....	....	3.90	....	....	....	3.90	....	....	....	....
Union Insurance Society of Canton Ltd.	....	•510	....	•515	....	•515	•520	....	....	....	....	....
Lands												
Anglo-French Land Invest. Co., Ltd.	....	....	....	188	....	....	....	188	....	....	....	....
Cathay Land Co., Ltd.	....	....	....	3	....	....	....	3	....	....	....	....
China Realty Co. Fed. Inc., U.S.A.	....	....	0.75	....	....	....	0.75	....	....	....	....	....
Fonciere et Immobiliere de Chine	....	....	....	190	....	....	....	190	....	....	....	....
Metropolitan Land Co., Ltd. "A"	....	....	....	7	....	....	....	7	....	....	....	....
do. "B"	....	....	....	7	....	....	....	7	....	....	....	....
San Sing Properties, Ltd.	....	....	....	10	....	....	....	10	....	....	....	....
Shanghai Land Investment Co., Ltd.	....	....	8.50	....	....	8.50	8.50	....	8.50	....	8	....
Tientsin Land Investment Co., Ltd.	....	....	....	89	....	....	....	89	....	....	....	....
Docks, Wharves and Transport												
New Eng. & Shipbuilding Works, Ltd. (ord.)	....	....	3.90	....	....	....	3.90	....	....	....	....	....
Shanghai Dock & Engineering Co., Ltd.	110	....	....	110	....	....	108	....	108	....	108	....
Shanghai & Hongkew Wharf Co., Ltd.	....	....	150	....	....	....	150	....	....	....	....	....
Wheelock & Co., Ltd.	....	....	14.75	....	....	....	15	....	15	....	14.75	....
Utilities												
China General Omnibus Co., Ltd.	13.50	....	13.50	....	13.10	....	13.50	....	13.50	....	13.50	....
Shanghai Gas Co., Ltd.	....	....	....	9.75	....	....	....	9.75	....	....	....	....
Shanghai Telephone Company	....	....	....	72	....	....	....	72	....	....	....	....
S'hai Electric Construction Co., Ltd. "Reg."	....	....	....	37	....	35	34.50	....	....	....	....	....
do. "Bear"	37	38	38	....	35.25	....	35.50	....	39	....	36	....
S'hai Waterworks Co., Ltd. "A"	560	....	560	....	525	535	527.50	....	560	....	535	....
do. "B"	....	....	24	....	23	....	23	....	24	....	21	....
do. "C"	24.25	....	....	25	23.75	....	21	....	....	....	....	....
Miscellaneous												
Auto Palace Co., Ltd.	....	....	....	5.40	....	....	....	5.40xd	....	....	....	....
Bakerite Co., Fed. Inc., U.S.A. "B"	....	....	....	10	....	....	....	10	....	....	....	....
Caldbeck, Macgregor & Co., Ltd. (ord.)	....	....	....	14	....	....	....	14	....	....	....	....
China Import & Export Lumber Co., Ltd.	....	....	....	12	....	....	....	12	....	....	....	....
Chinese Eng. & Mining Co., Ltd. "Bearer"	21	....	....	19.50	16.10	....	16.10	....	....	....	....	....
Chosen Corporation, Ltd.	....	....	....	10	....	....	....	10	....	....	....	....
Culty Dairy Co., Ltd.	....	....	....	15	....	....	....	15	....	....	....	....
Champ Course Francais French	....	....	....	27	....	....	....	27	....	....	....	....
(French Race Course) non-French	....	....	32.50	....	....	....	32.50	....	....	....	....	....
do. Founders	....	....	....	50	....	....	....	50	....	....	....	....
Hall & Holtz, Ltd.	....	....	....	10	....	....	....	10	....	....	....	....
Hongkong & Shanghai Hotels, Ltd.	....	....	....	•6.30	....	....	....	•6.30	....	....	....	....
Kelly & Walsh, Ltd.	....	....	....	18	....	....	....	18	....	....	....	....
Mark L. Moody, Fed. Inc., U.S.A.	....	....	....	5	....	....	....	5	....	....	....	....
Metal Industries of China, Ltd.	....	....	....	8.10	....	....	....	8.10	....	....	....	....
Millington, Ltd.	....	....	....	1.45	....	....	....	1.45	....	....	....	....
Office Appliance Co., Ltd.	....	....	3	....	....	....	3	....	....	....	....	....
S'hai Exploration & Development Co., Ltd.	....	....	2	....	....	....	2	....	....	....	....	....
S'hai Vacuum Cleaning & Storage Co., Ltd.	....	....	....	6	....	....	....	6	....	....	....	....
S'hai Waterworks Fittings Co., Ltd.	....	....	....	1.25	....	....	....	1.25	....	....	....	....
Union Brewery, Ltd.	....	....	....	5	....	....	....	5	....	....	....	....
Bonds and Preferences												
American-Asiatic Underwriters, Cum. Pref. 8%	....	....	....	90	....	....	....	90	....	....	....	....
do. Cum. Pref. 7%	....	....	....	75	....	....	....	75	....	....	....	....
Caldbeck, Macgregor & Co., Ltd. 8% cum. pref.	....	....	....	14	....	....	....	14	....	....	....	....
Ch. Finance Corp. Fed. Inc., U.S.A. (Pref.) 8%	....	....	....	4	....	....	....	4	....	....	....	....
Ewo Cotton Mills, Ltd. 8% cum. pref.	....	....	137	....	....	137.50	137	....	137	....	137	....
New Eng. & Shipbg Works, Ltd. 8% cum. pref.	....	....	4.80	....	....	....	4.75	....	....	....	....	....
S'hai Power Co. Tls. 6 cum. Pref. stock	....	....	114	....	109	109.25	109	....	114	....	110	....
Shanghai Tug Lighter Co., Ltd. 7% pref.	....	....	50	....	....	....	50	....	....	....	....	....
S'hai Waterworks Co., Ltd. 7% cum. pref.	....	....	13.20	....	....	....	13.20	....	13.20	....	13.20	....
do. 6½% cum. pref.	....	....	12.65	....	....	....	12.65	....	....	....	....	....
Cottons												
Ewo Cotton Mills, Ltd., Ordinary	14.90	15.30	15.30	....	14.10	14.40	14	....	15.50	....	14.30	....
Shanghai Cotton Mfg. Co., Ltd.	....	....	....	92.50	....	....	....	92½	....	....	....	....
Zoong Sing Cotton Mills, Ltd.	....	....	....	27	....	....	....	27	....	....	....	....
Plantations												
Alma Estates, Ltd.	....	....	18	....	16	....	16.50	....	18.50	....	18.50	....
Anglo-Dutch (Java) Plantations Ltd.	....	....	7.60	....	7.60	....	7.60	....	....	....	....	....
Anglo-Java Estates, Ltd.	....	....	14	....	12.50	....	12.50	....	14	....	14	....
Ayer Tawah Rub. Plantation Co., Ltd.	....	....	4	....	....	....	4	....	....	....	....	....
Batu Anam (Johore) Rub. Ests., Ltd.	....	....	0.95	....	0.77	....	0.77	....	1	....	0.76	....
Bute Plantations (1913), Ltd.	....	....	3.30	....	3	....	3	....	....	....	....	....
Chemor United Rubber Co., Ltd.	....	....	1.20	....	1.02½	....	1.05	....	1.30	....	0.90	....
Cheng Rubber Estates, Ltd.	....	....	0.50	....	0.42½	0.45	0.42½	....	0.53	....	0.45	....
Consolidated Rub. Estates (1914), Ltd.	....	....	4.15	....	....	....	3.60	....	4.20	....	4	....
Dominion Rubber Co., Ltd.	....	....	....	6	....	....	5.60	....	5.60	....	5.60	....
Gula-Kalumpong Rub. Ests., Ltd.	....	....	....	24	....	....	....	24	....	....	....	....
[illegible]-Cons. Rub. & Coffee Ests. Ltd.	....	....	2.20	....	1.67½	....	1.67	....	2.20	....	1.85	....
Ka[illegible]ang Rubber Estates, Co., Ltd.	....	....	20	....	....	....	20	....	20	....	20	....
Ko[illegible] Bahroe Rub. Ests. (1921), Ltd.	....	....	2.65	....	2.20	....	2.20	....	2.65	....	2.65	....
Kroewoek Java Plantations Ltd.	....	....	1.03	....	0.86	....	0.86	....	1.06	....	0.98	....
Langkat	....	....	6	....	....	....	5	....	6	....	5	....
Padang Rubber Co., Ltd.	....	....	1.10	....	1	....	1.10	....	....	....	....	....
Permata Rubber Estate, Ltd.	....	....	0.80	....	....	0.80	0.80	....	....	....	....	....
Repah Rubber & Tapioca Ests. Ltd.	....	....	0.80	....	0.72	....	0.71	....	0.80	....	0.79	....
Rubber Trust, Ltd.	....	....	3	....	2.60	....	2.65	....	3.20	....	2.65	....
Samagaga Rubber Co., Ltd.	....	....	74	....	....	....	0.60	....	....	....	....	....
Semambu Rubber Ests. Ltd.	....	....	0.80	....	0.69	....	0.70	....	0.82	....	0.82	....
Senawang Rub. Ests., Co. (1921), Ltd.	....	0.81	0.87	....	....	....	0.68	....	0.90	....	0.80	....
Shanghai Kedah Plantations, Ltd.	....	....	6.25	....	....	....	5.50	....	6.25	....	5.50	....
S'hai Kelantan Rub. Ests. (1925), Ltd.	....	....	0.37	....	0.32	....	0.32	....	0.41	....	0.35	....

Stock	Authorised Capital (No. of Shares)	Issued Capital (No. of Shares)	Paid up Value (or Face Value)	Fin. Year ends	Last Dividends, etc.	Paid or due	Business Done Year 1937: Highest	Lowest	Business Done Year 1938: Highest	Lowest	Total No. of Shares Done for: Last Week	This Week	Total Amount of Sales Reported Jan. 1—June 17: 1937	1938
Banks, Finance Companies														
Central Properties, Ltd.	5,000,000	180,000	$10	Dec.	Div. 10% 1937	7-3-38	15 Feb	14 June	....	....	....	....	2,000	....
China Bond & Share Co., Fed. Inc., U.S.A.	200,000	120,000	$10	Dec.	Final Div. 6% (Mkg. 10% 1936) (Nil 1937)	10-3-37	15.50 Apr	15.50 Apr	....	....	....	....	1,200	....
China Finance Corp. Fed. Inc., U.S.A.	400,000	400,000	T5	Dec.	Spec. Tax Div. Tls. 0.27½ = $0.39, 1931 (Nil 1937)	14-3-32	0.40 Apr	0.40 Feb	0.50 Mar	0.50 Mar	....	....	29,200	1,000
Hongkong & Shanghai Banking Corp.	400,000	160,000	H $125	Dec.	Fin. Div. £3 (Mkg. £5-10-0, 1937) Less I/T	26-2-38	1,945 June	1,380 Dec.	1,602½ Mar	1,440xd Feb	....	....	228	300
Inter. Invest. Trust Co. of China Ltd.	2,000,000	350,000	T10	Mar.	Div. $0.75, 1934 (Nil 1937-38)	4-5-34	4.25 Feb	3 June	....	....	....	....	51,700	....
Shanghai Loan & Investment Co., Ltd.	250,000	250,000	T5	Dec.	Div. $0.25 a/c 1934 (Nil 1937)	25-2-35	5 Feb	2.70 June	....	....	....	....	16,641	....
Union Mobiliere	100,000	100,000	$20	Dec.	3% for 1937	3-5-38	20 July	18 Jan	....	....	....	....	1,170	....
Yangtsze Finance Co., Ltd.	2,000,000	517,500	T10	Mar.	Div. $0.20 a/c 1936-37 (Nil 1937-38)	22-7-37	8 Mar	6 July	5 May	4.50 May	....	....	11,000	550
Insurances														
American-Asiatic Underwriters (ord.)	75,000	75,000	T10	Dec.	Div. $1.40, 1934 (1936 Nil)	15-5-35	....	....	....	....	....	....	....	....
Asia Life Insurance Co.	100,000	40,000	G $5	Dec.	Div. 10% = G. $0.50, 1937	12-5-38	25 Dec	16.50 Apr	....	....	....	....	6,133	....
Assurance Franco-Asiatique	70,000	70,000	F100	Dec.	Div. 5% 1936	29-5-37	....	....	....	....	....	....	....	....
International Assurance Co., Ltd.	2,000,000	600,000	T5	Dec.	Div. $0.30, 1933 (Nil 1936)	18-5-34	4.55 Feb	3 Jan	....	....	....	....	101,645	....
Union Insurance Society of Canton Ltd.	200,000	135,000	£6	Dec.	Final Div. 15/- (Mkg. 30/-, 1937)	13-4-38	636 Apr	515xd. Oct.	560 Mar	495 Jan	....	....	1,164	1,173
Lands														
Anglo-French Land Invest. Co., Ltd.	25,000	19,335	T100	Feb.	Final $2.00 (Mkg. $4.00 a/c 1937-38)	21-4-38	200 Feb	190 Jan	160 June	160 June	3	....	114	3
Cathay Land Co., Ltd.	500,000	480,374	T10	Dec.	Final 2% = $0.28 (Mkg. 6% 1933) (Nil 1937)	5-5-34	3.75 Mar	3 Apr	3 Mar	3 Mar	....	....	17,300	400
China Realty Co. Fed. Inc., U.S.A.	800,000	500,000	T10	Dec.	Div. $0.15 a/c 1934	20-2-35	1.45 Mar	0.90 June	0.75 Apr	0.70 Apr	....	....	90,150	4,000
Fonciere et Immobiliere de Chine	20,000	20,000	T100	Dec.	Div. $7, a/c 1936 (Nil 1937)	18-3-37	....	....	....	....	....	....	....	....
Metropolitan Land Co., Ltd. "A"	} 500,000	39,800	T10	Sept.	Div. $0.80, 1934 (Nil 1937)	28-11-34	....	....	....	....	....	....	....	....
do. "B"		155,018	T10	Sept.	Div. $0.80, 1934 (Nil 1937)	28-11-34	....	....	....	....	....	....	....	....
San Sing Properties, Ltd.	2,000,000	805,007	T10	Mar.	Div. 2% = $0.28, 1933 (Nil 1937)	16-3-33	....	....	....	....	....	....	....	....
Shanghai Land Investment Co., Ltd.	2,386,800	2,386,800	T5	Dec.	Fin. 4% = $0.28 (Mkg. Tls. 0.50 1934) (Nil 1937)	25-4-35	17 Feb	8.70 Aug	9 Mar	8 June	....	10,570	29,730	25,788
Tientsin Land Investment Co., Ltd.	120,000	64,281	$50	Dec.	Final 3% & Bonus 1% (Mkg. 11% 1937)	28-2-38	....	....	....	....	....	....	....	....
Docks, Wharves and Transport														
New Eng. & Shipbuilding Works, Ltd. (ord.)	500,000	300,000	T5	Dec.	Div. Tls. 0.30 = $0.42, 1932 (Nil 1937)	14-3-33	3.80 Feb	2.25 Jan	4.10 Mar	3.25 Feb	....	....	18,302	18,626
Shanghai Dock & Engineering Co., Ltd.	55,700	55,200	T50	Dec.	Div. $3.50 a/c 1937 & Int. Div. $3.50 a/c 1938	15-3-38	108 July	92 Jan	108.50 June	95 Apr	205	120	5,109	2,085
Shanghai & Hongkew Wharf Co., Ltd.	80,000	60,000	T100	Dec.	Div. $5- a/c 1937	14-4-38	250 Feb	140 Dec.	157½ Mar	145 Jan	....	....	1,532	318
Wheelock & Co., Ltd.	1,000,000	217,532	T10	Mar.	Div. $1- a/c 1936-37	24-6-37	18.60 June	10.10 Feb	16 Mar	14 Mar	500	1,300	96,172	6,100
Utilities														
China General Omnibus Co., Ltd.	500,000	200,000	T10	Dec.	Div. Tls. 0.90 = $1.26 1930 (Nil 1937)	25-2-31	13.30 Apr	7.50 Jan	13.80 Apr	13 Apr	350	200	6,714	3,125
Shanghai Gas Co., Ltd.	700,000	560,000	$10	Dec.	Div. 4% 1936 (Nil 1937)	8-4-37	10.70 Apr	9 Feb	....	....	....	....	7,372	....
Shanghai Telephone Company	400,000	115,142	T50	Dec.	.. .. ..	....	86 Mar	68 Jan	....	....	....	....	3,006	....
S'hai Electric Construction Co., Ltd. "Reg."	} 700,000	670,000	£1	Dec.	Final Div. 5% (Mkg. 7%, 1937) Coupon 55	26-4-38	39.50 Apr	36.50 Feb	34.50 June	32 Apr	210	....	2,927	419
do. "Bear"							41 Mar	31.50 Dec.	39 June	30 May	1,000	2,870	25,496	19,220
S'hai Waterworks Co., Ltd. "A"	40,236	40,236	£20	Dec.	Final Div. 21/- (Mkg. 36/-, a/c 1937) Coupon 48	5-4-38	635 Mar	625 June	560 June	510 May	257	251	471	771
do. "B"	} 359,280	{108,505	£1	Dec.	Final Div. 7.8d (Mkg. 1/4, 8d a/c 1937) Coupon 21	5-4-38	25.75 Apr	24.50 Feb	24 June	21 Apr	380	888	967	1,583
do. "C"		{250,000	£1	Dec.	Final Div. 10.2d (Mkg. 1/7, 2d a/c 1937) Coupon 17	5-4-38	25.75 July	24.50 Feb	23 May	21.25 Apr	220	....	4,614	1,512
Miscellaneous														
Auto Palace Co., Ltd.	150,000	118,500	$8	Dec.	Div. $0.60, 1937	9-6-38	6.80 Mar	5 Feb	....	....	....	....	1,935	....
Bakerite Co., Fed. Inc., U.S.A. "B"	50,000	49,703	$10	Dec.	Div. $0.17 a/c 1937	16-3-38	10.75 July	4.25 Mar	....	....	....	....	6,200	....
Caldbeck, Macgregor & Co., Ltd. (ord.)	200,000	140,000	T10	Dec.	Div. $0.70 a/c 1937	29-4-38	16.50 Mar	14.25 Jan	....	....	....	....	2,137	....
China Import & Export Lumber Co., Ltd.	500,000	231,803	T10	Feb.	Div. 6% = $0.84 a/c 1936-37	10-5-37	13 Mar	13 Mar	....	....	....	....	325	....
Chinese Eng. & Mining Co., Ltd. "Bearer"	2,000,000	1,960,000	£1	June	Div. 5% a/c 1936-37 Free of I/T Coupon 44	18-1-38	20.25 July	13 Jan	16.10 June	16 June	....	....	26,046	1,980
Chosen Corporation, Ltd.	750,000	725,000	£1	June	Div. 1/- (Mkg. 1/9d. 1937) Less Tax	15-1-38	10.60 Jan	9.40 Jan	....	....	....	....	9,300	....
Culty Dairy Co., Ltd.	40,000	40,000	T10	Dec.	Div. $1, 1934-35 (Nil 1937)	27-11-35	17 May	15 July	....	....	....	....	20	....
Champ Course Francais French	30,000	30,000	$20	Dec.	Div. $4.50 a/c 1934 (Nil 1937)	1-3-35	22 May	22 May	....	....	....	....	10	....
(French Race Course) non-French				Dec.	Div. $4.50 a/c 1934 (Nil 1937)	1-3-35	....	....	32.50 May	32.50 May	....	....	....	100
do. Founders		6,490	Free	Dec.	Div. $4.62 a/c 1934 (Nil 1937)	1-3-35	50 July	45 May	55 Apr	55 Apr	....	....	1	5
Hall & Holtz, Ltd.	28,000	26,342	$20	Feb.	Div. 5% = $1, 1934-35 (1937-38 Nil)	30-5-35	10 June	9 Mar	10 Mar	10 Mar	....	....	170	5
Hongkong & Shanghai Hotels, Ltd.	1,500,000	1,193,867	H $7.50	Dec.	Div. H. $0, 40 a/c 1937	6-4-38	8 Apr	8 Apr	6.30xd Apr	6.30xd Apr	....	....	500	500
Kelly & Walsh, Ltd.	75,000	45,000	$10	Feb.	Div. $0.50 a/c 1937-38	Pending	....	....	....	....	....	....	....	....
Mark L. Moody, Fed. Inc., U.S.A.	100,000	30,000	T10	Dec.	Div. $1.25 a/c 1937	1-2-38	....	....	....	....	....	....	....	....
Metal Industries of China, Ltd.	2,000,000	250,000	$5	Dec.	..	....	10.70 June	5.90 Apr	....	....	....	....	98,000	....
Millington, Ltd.	300,000	110,000	$4	Dec.	..	....	1.50 June	1.25 Jan	....	....	....	....	6,250	....
Office Appliance Co., Ltd.	80,000	60,000	T8.50	Dec.	Div. Tls. 0.40 = $0.56, a/c 1932 (Nil 1937)	21-4-33	....	....	3 May	3 May	....	....	....	750
S'hai Exploration & Development Co., Ltd.	600,000	597,251	T2.50	Dec.	Div. $0.14, 1935 (Nil 1936)	31-7-36	3 Feb	1.75 June	2 June	2 June	1,700	....	13,200	4,200
S'hai Vacuum Cleaning & Storage Co., Ltd.	35,000	23,000	T10	Dec.	Div. 10% = $1.40 a/c 1937	9-5-38	....	....	....	....	....	....	....	....
S'hai Waterworks Fittings Co., Ltd.	500,000	301,756	T1	Dec.	Div. 8% (= $0.11) 1935 (Nil 1937)	17-3-36	1.50 Jan	1 Feb	....	....	....	....	11,606	....
Union Brewery, Ltd.	500,000	200,000	T10	Dec.	Div. $1.25, 1933 (Nil 1937)	27-5-34	5.50 May	3 Mar	....	....	....	....	400	....
Bonds and Preferences														
American-Asiatic Underwriters, Cum. Pref. 8%	5,000	5,000	T100	Dec.	4% = $5.59 for ½ year ended Dec. 31, 1934	31-12-34	....	....	....	....	....	....	....	....
do. Cum. Pref. 7%	7,500	7,500	T100	Dec.	3½% = $4.89 for ½ year ended 31-3-35	1-4-35	....	....	....	....	....	....	....	....
Caldbeck, Macgregor & Co., Ltd. 8% cum. pref.	100,000	80,000	T10	Dec.	Div. 8% = $1.12 for 1937	29-4-38	17.50 May	15.50 Jan	....	....	....	....	2,300	....
Ch. Finance Corp. Fed. Inc., U.S.A. (Pref.) 8%	600,000	205,125	T5	Dec.	Quarterly Div. Tls. 0.10 = $0.14, 1933	30-12-33	....	....	....	....	....	....	....	....
Ewo Cotton Mills, Ltd. 8% cum. pref.	10,000	9,000	T100	Dec.	Div. Tls. 8 = $11.19, 1937	3-5-38	179 July	165 Apr	150 Mar	137 June	50	10	762	556
New Eng. & Shipbg Works, Ltd. 8% cum. pref.	500,000	300,000	T5	Dec.	4% (Mkg. 8%) a/c 1934 & 6½% a/c 1935	14-3-38	7 July	5 Jan	6.25 Mar	4.75 June	1,000	....	39,863	7,864
S'hai Power Co. Tls. 6 cum. Pref. stock	230,000	220,000	T100	Dec.	1st Quarterly Div. Tls. 1.50 = $2.0979, a/c 1938	1-4-38	137.50 Feb	122 Jan	114 June	99xd Apr	332	609	11,616	4,425
Shanghai Tug Lighter Co., Ltd. 7% pref.	10,000	10,000	T50	Dec.	Tls. 3.50 = $4.89 1937	30-3-38	73 Mar	65 May	58 Mar	50 June	....	....	2,155	407
S'hai Waterworks Co., Ltd. 7% cum. pref.	100,000	100,000	T10	Dec.	3½% = $0.49 for half year ended 31-12-37	5-4-38	17 Mar	16 July	13.75 Mar	13.20 May	....	450	5,895	1,650
do. 6½% cum. pref.	100,000	100,000	T10	Dec.	3¼% = $0.45 for half year ended 31-12-37	5-4-38	16 July	13.75 Dec	12.65 May	12.65 May	....	....	3,180	280
Cottons														
Ewo Cotton Mills, Ltd., Ordinary	2,000,000	1,200,000	T5	Dec.	Div. $1.40 a/c 1937	3-5-38	18.50 June	12 Dec	15.50 June	12 Feb	15,751	26,560	742,988	174,395
Shanghai Cotton Mfg. Co., Ltd.	240,000	240,000	$50	Apr.	Div. $2.50 for year ended 30-4-38	26-5-38	121.25 Apr	92 Jan	....	....	....	....	2,740	....
Zoong Sing Cotton Mills, Ltd.	200,000	150,000	T10	June	Div. $5 & Bonus $5 (Mkg. $10, a/c 1936-37)	30-12-37	35 June	29 Mar	....	....	....	....	900	....
Plantations														
Alma Estates, Ltd.	70,000	70,000	£1	Sept.	Final Div. $1- (Mkg. $2 a/c 1936-37)	16-12-37	30 Apr	16xd. Dec	18.50 June	15 Feb	....	200	4,910	1,650
Anglo-Dutch (Java) Plantations Ltd.	400,000	350,000	10s	Dec.	Final Div. $0.10 (Mkg. $0.70 a/c 1937)	20-5-38	13.75 Apr	7 Dec	7.60 June	6.50 Feb	250	....	61,752	2,420
Anglo-Java Estates, Ltd.	500,000	496,000	10s.	Dec.	Final Div. $0.50 (Mkg. $1.50, a/c 1937)	13-5-38	19.60 Apr	11 Sept	13.25 Mar	11 Feb	2,000	600	197,857	23,245
Ayer Tawah Rub. Plantation Co., Ltd.	500,000	335,499	T1	Sept.	1st Int. Div. $0.05 a/c 1937-38 ($0.55, 1936-37)	9-3-38	7.25 Apr	4 Dec	4.15 Mar	4 May	....	....	48,548	3,125
Batu Anam (Johore) Rub. Ests., Ltd.	960,000	960,000	T0.10	Dec.	Final Div. $0.04 (Mkg. $0.10 a/c 1937)	12-4-38	1.86 Apr	0.85 Dec	1 June	0.70 Jan	14,900	16,000	622,760	111,850
Bute Plantations (1913), Ltd.	500,000	353,698	T1	Dec.	Final Div. $0.15 (Mkg. $0.45, a/c 1937)	11-4-38	6.40 Apr	3.20 Dec	3.75 Mar	3 June	500	....	243,540	23,150
Chemor United Rubber Co., Ltd.	1,200,000	956,747	T0.10	Dec.	Div. $0.15 a/c 1937	21-4-38	2.05 Apr	0.80 Oct	1.30 June	0.85 Feb	8,000	5,069	419,650	97,181
Cheng Rubber Estates, Ltd.	1,095,850	1,051,438	T0.10	June	Final Div. $0.03 (Mkg. $0.06 a/c 1936-37)	13-10-37	1.31 Apr	0.47 Dec	0.53 June	0.40 Jan	25,000	31,000	1,173,400	152,606
Consolidated Rub. Estates (1914), Ltd.	500,000	484,837	2/-	Dec.	Final Div. $0.20 (Mkg. $0.50, 1937)	14-4-38	7 Apr	3.40 Dec	4.20 June	2.50 Jan	2,400	3,500	244,636	13,650
Dominion Rubber Co., Ltd.	350,000	200,000	T1	Dec.	Final Div. $0.20 (Mkg. $0.65 a/c 1937)	8-4-38	10.15 Apr	4.90 Dec	5.60 May	4.75 Mar	....	500	57,019	5,055
Gula-Kalumpong Rub. Ests., Ltd.	750,000	665,000	£1	Dec.	Div. 8% 1937 Less I/T (Coupon 34)	13-5-38	53 Mar	33.[illegible] May	....	....	....	....	630	....
[illegible]-Cons. Rub. & Coffee Ests. Ltd.	850,000	750,000	2/-	Dec.	Final Div. $0.09 (Mkg. $0.21 a/c 1937)	1-4-38	3.20 Apr	[illegible]	2.20 June	1.55 Jan	1,000	8,800	524,850	31,970
Ka[illegible]ang Rubber Estates, Co., Ltd.	15,000	14,800	T10	Dec.	Final Div. $0.50 (Mkg. $1.50 a/c 1937)	21-3-38	38 Apr	[illegible]	20 June	20 Apr	....	150	6,225	450
Ko[illegible] Bahroe Rub. Ests. (1921), Ltd.	500,000	461,804	T0.75	June	Int. Div. $0.05 a/c 1937-38 ($0.25, 1936-37)	12-1-38	4.85 Apr	2.50 Dec	2.65 June	1.80 Mar	2,000	2,000	395,986	26,665
Kroewoek Java Plantations Ltd.	2,200,000	2,200,000	T0.10	Dec.	Final Div. $0.06 (Mkg. $0.12, a/c 1937)	14-3-38	1.53 Apr	0.70 Oct	1.06 June	0.70 Feb	12,000	30,000	1,074,930	235,650
Langkat	250,000	250,000	Gs.10	Oct.	Div. Tls. 0.50 = $0.70, 1928-29 (Nil 1937)	3-3-30	14.56 Mar	7 Jan	7 Mar	4 Apr	20	300	39,852	6,250
Padang Rubber Co., Ltd.	500,000	500,000	T1	Apr.	Int. Div. $0.03, 1937-38 ($0.12, 1936-37)	17-11-37	1.90 Apr	1 Nov	1.27½ Mar	1 Feb	....	....	310,600	36,500
Permata Rubber Estate, Ltd.	350,000	317,219	$1	Oct.	Final Div. $0.04 (Mkg. $0.10, a/c 1936-37)	9-2-38	1.10 Apr	0.60 Dec	1 Mar	0.60 Jan	4,000	....	65,170	28,000
Repah Rubber & Tapioca Ests. Ltd.	1,350,000	1,350,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09 a/c 1937)	20-4-38	1.28 Apr	0.60 Oct	0.88 Mar	0.60 Feb	1,000	18,000	610,752	66,150
Rubber Trust, Ltd.	25,000,000	1,082,000	T1	Sept.	Final Div. $0.20 (Mkg. $0.40, a/c 1936-37)	23-12-37	5.72½ Mar	2.90 Dec	3.40 Mar	2.50 May	2,000	23,000	464,773	86,412
Samagaga Rubber Co., Ltd.	6,000,000	1,011,000	T0.10	Sept.	Div. $0.05 a/c 1936-37	16-12-37	1.10 Apr	0.55 Jan	0.72 Mar	0.60 May	....	....	624,055	13,000
Semambu Rubber Ests. Ltd.	900,000	900,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09, 1937)	29-3-38	1.35 Apr	0.67 Nov	0.92 Mar	0.63 Feb	2,000	28,000	315,730	122,550
Senawang Rub. Ests., Co. (1921), Ltd.	1,140,000	1,140,000	T0.10	Jan.	Final Div. $0.04 (Mkg. $0.08 a/c 1937-38)	30-5-38	1.49 Apr	0.80 Dec	0.90 June	0.67 Feb	....	29,000	879,525	121,500
Shanghai Kedah Plantations, Ltd.	400,000	300,000	T1	Sept.	Final Div. $0.25 (Mkg. $0.65, 1936-37	17-12-37	8.75 Apr	4.80 Dec	6.25 June	4.80 Feb	2,500	7,625	66,195	15,625
S'hai Kelantan Rub. Ests. (1925), Ltd.	1,400,000	1,400,000	T0.10	Dec.	Final Div. $0.02 (Mkg. $0.04 a/c 1937)	22-4-38	0.65 Apr	0.30 Dec	0.41 June	0.25 Jan	8,000	28,000	[illegible]	[illegible]

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Company													
Chemor United Rubber Co., Ltd.			1.20		1.62		1.65		1.50		0.50		
Cheng Rubber Estates, Ltd.	....	....	0.50	....	0.42½	0.45	0.42½	....	0.53	....	0.45	....	....
Consolidated Rub. Estates (1914), Ltd.	....	....	4.15	....	....	....	3.60	....	4.20	....	4	....	....
Dominion Rubber Co., Ltd.	....	....	....	6	....	....	5.60	....	5.60	....	5.60	....	....
Gula-Kalumpong Rub. Ests., Ltd.	....	....	....	24	....	....	....	24	....	....	....	....	....
[illegible]-Cons. Rub. & Coffee Ests. Ltd.	....	....	2.20	....	1.67½	....	1.67	....	2.20	....	1.85	....	....
Ka[illegible]rang Rubber Estates, Co., Ltd.	....	....	20	....	....	....	20	....	20	....	20	....	....
Ko[illegible] Bahroe Rub. Ests. (1921), Ltd.	....	....	2.65	....	2.20	....	2.20	....	2.65	....	2.65	....	....
Kroewoek Java Plantations Ltd.	....	....	1.03	....	0.86	....	0.86	....	1.06	....	0.98	....	....
Langkat	....	....	6	....	....	....	5	....	6	....	5	....	....
Padang Rubber Co., Ltd.	....	....	1.10	....	1	....	1.10	....	....	....	....	....	....
Permata Rubber Estate, Ltd.	....	....	0.80	....	....	0.80	0.80	....	....	....	....	....	....
Repah Rubber & Tapioca Ests. Ltd.	....	....	0.80	....	0.72	....	0.71	....	0.80	....	0.79	....	....
Rubber Trust, Ltd.	....	....	3	....	2.60	....	2.65	....	3.20	....	2.65	....	....
Samagaga Rubber Co., Ltd.	....	....	74	....	....	....	0.60	....	....	....	....	....	....
Semambu Rubber Ests. Ltd.	....	....	0.80	....	0.69	....	0.70	....	0.82	....	0.82	....	....
Senawang Rub. Ests., Co. (1921), Ltd.	....	0.81	0.87	....	....	....	0.68	....	0.90	....	0.80	....	....
Shanghai Kedah Plantations, Ltd.	....	....	6.25	....	....	....	5.50	....	6.25	....	5.50	....	....
S'hai Kelantan Rub. Ests. (1925), Ltd.	....	....	0.37	....	0.32	....	0.32	....	0.41	....	0.35	....	....
S'hai Malay Rub.) ord.	....	....	14	....	....	....	....	15	14	....	14	....	....
Ests., Ltd.) 8% cum. part. pref.	....	....	....	23	21	....	....	28	28	....	28	....	....
S'hai Pahang Rubber Estate, Ltd.	....	....	2.50	....	....	....	2.50	....	2.45	....	2.45	....	....
S'hai Seremban Rubber Estates, Ltd.	....	....	1.52½	....	1.10	....	1.25	....	1.60	....	1.50	....	....
S'hai Sumatra Rubber Ests., Ltd.	8.20	....	8.50	....	....	....	8	....	8.50	....	8	....	....
Sua Manggis Rubber Co., Ltd.	....	....	1.75	....	1.40	....	1.40	....	1.78	....	1.70	....	....
Sungala Rubber Estate, Ltd.	....	....	....	4.50	....	....	....	4.20	5.10	....	5.10	....	....
Sungei Duri Rubber Estate, Ltd.	....	....	....	25	23.50	....	25	....	....	....	....	....	....
Tanah Merah Estates (1916), Ltd.	....	....	1.85	....	1.52½	....	1.50	....	1.95	....	1.70	....	....
Tebong Rubber Estate, Ltd.	....	....	0.84	....	0.69	0.71	0.69	....	0.89	....	0.76	....	....
Ziangbo Rubber Co., Ltd.	....	....	13.25	....	11	....	11	....	13.25	....	13.25	....	....

Company													
Chemor United Rubber Co., Ltd.	[illegible]	[illegible]	T0.10	Dec.	Div. $0.15 a/c 1937	21-4-38	2.05 Apr	0.80 Oct	1.30 June	0.85 Feb	8,000	5,069	419,650	97,181
Cheng Rubber Estates, Ltd.	1,095,850	1,051,438	T0.10	June	Final Div. $0.03 (Mkg. $0.06 a/c 1936-37)	13-10-37	1.31 Apr	0.47 Dec	0.53 June	0.40 Jan	25,000	34,000	1,173,400	152,606
Consolidated Rub. Estates (1914), Ltd.	500,000	484,837	2/-	Dec.	Final Div. $0.20 (Mkg. $0.50, 1937)	14-4-38	7 Apr	3.40 Dec	4.20 June	2.50 Jan	2,400	3,500	244,636	13,650
Dominion Rubber Co., Ltd.	350,000	200,000	T1	Dec.	Final Div. $0.20 (Mkg. $0.65 a/c 1937)	8-4-38	10.15 Apr	4.90 Dec	5.60 May	4.75 Mar	....	500	57,019	5,055
Gula-Kalumpong Rub. Ests., Ltd.	750,000	665,000	£1	Dec.	Div. 8% 1937 Less I/T (Coupon 34)	13-5-38	53 Mar	33.[illegible] May	....	....	....	....	630	....
[illegible]-Cons. Rub. & Coffee Ests. Ltd.	850,000	750,000	2/-	Dec.	Final Div. $0.09 (Mkg. $0.21 a/c 1937)	1-4-38	3.20 Apr	[illegible]	2.20 June	1.55 Jan	1,000	8,800	524,850	31,970
Ka[illegible]rang Rubber Estates, Co., Ltd.	15,000	14,800	T10	Dec.	Final Div. $0.50 (Mkg. $1.50 a/c 1937)	21-3-38	38 Apr	[illegible]	20 June	20 Apr	....	150	6,225	450
Ko[illegible] Bahroe Rub. Ests. (1921), Ltd.	500,000	461,804	T0.75	June	Int. Div. $0.05 a/c 1937-38 ($0.25, 1936-37)	12-1-38	4.85 Apr	2.50 Dec	2.65 June	1.80 Mar	2,000	2,000	395,986	26,665
Kroewoek Java Plantations Ltd.	2,200,000	2,200,000	T0.10	Dec.	Final Div. $0.06 (Mkg. $0.12, a/c 1937)	14-3-38	1.53 Apr	0.70 Oct	1.06 June	0.70 Feb	12,000	30,000	1,074,930	235,650
Langkat	250,000	250,000	Gs.10	Oct.	Div. Tls. 0.50 = $0.70, 1928-29 (Nil 1937)	3-3-30	14.56 Mar	7 Jan	7 Mar	4 Apr	20	300	39,852	6,250
Padang Rubber Co., Ltd.	500,000	500,000	T1	Apr.	Int. Div. $0.03, 1937-38 ($0.12, 1936-37)	17-11-37	1.90 Apr	1 Nov	1.27½ Mar	1 Feb	....	....	310,600	36,500
Permata Rubber Estate, Ltd.	350,000	317,219	$1	Oct.	Final Div. $0.04 (Mkg. $0.10, a/c 1936-37)	9-2-38	1.10 Apr	0.60 Dec	1 Mar	0.60 Jan	4,000	....	65,170	28,000
Repah Rubber & Tapioca Ests. Ltd.	1,350,000	1,350,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09 a/c 1937	20-4-38	1.28 Apr	0.60 Oct	0.88 Mar	0.60 Feb	1,000	18,000	610,752	66,150
Rubber Trust, Ltd.	25,000,000	1,082,000	T1	Sept.	Final Div. $0.20 (Mkg. $0.40, a/c 1936-37)	23-12-37	5.72½ Mar	2.00 Dec	3.40 Mar	2.50 May	2,000	23,000	464,773	86,412
Samagaga Rubber Co., Ltd.	6,000,000	1,011,000	T0.10	Sept.	Div. $0.05 a/c 1936-37	16-12-37	1.10 Apr	0.55 Jan	0.72 Mar	0.60 May	....	....	624,055	13,000
Semambu Rubber Ests. Ltd.	900,000	900,000	T0.10	Dec.	Final Div. $0.03 (Mkg. $0.09, 1937)	29-3-38	1.35 Apr	0.67 Nov	0.92 Mar	0.63 Feb	2,000	28,000	345,730	122,550
Senawang Rub. Ests., Co. (1921), Ltd.	1,140,000	1,140,000	T0.10	Jan.	Final Div. $0.04 (Mkg. $0.08 a/c 1937-38)	30-5-38	1.49 Apr	0.80 Dec	0.90 June	0.67 Feb	....	29,000	879,525	124,500
Shanghai Kedah Plantations, Ltd.	400,000	300,000	T1	Sept.	Final Div. $0.25 (Mkg. $0.65, 1936-37	17-12-37	8.75 Apr	4.80 Dec	6.25 June	4.80 Feb	2,500	7,625	66,195	15,625
S'hai Kelantan Rub. Ests. (1925), Ltd.	1,400,000	1,400,000	T0.10	Dec.	Final Div. $0.02 (Mkg. $0.04 a/c 1937)	22-4-38	0.65 Apr	0.30 Dec	0.41 June	0.25 Jan	8,000	28,000	2,474,121	261,000
S'hai Malay Rub.) ord.	30,000	30,000	T10	Dec.	Div. $0.75 a/c 1937	22-4-38	30 Apr	14 Jan	14 June	10 May	....	200	8,165	300
Ests., Ltd.) 8% cum. part. pref.	30,000	27,380	T10	Dec.	Div. 8% = $1.12 and $0.75 a/c 1937	22-4-38	37.50 Mar	30 Mar	28 June	15 Apr	....	75	1,345	150
S'hai Pahang Rubber Estate, Ltd.	300,000	235,900	T1	June	Final Div. $0.10 (Mkg. $0.24 1936-37)	15-10-37	5.97½ Mar	3.00 Aug	2.50 Mar	2.35 Mar	....	600	70,120	5,600
S'hai Seremban Rubber Estates, Ltd.	325,000	325,000	T1	Dec.	Final Div. $0.10 (Mkg. $0.20, a/c 1937)	14-3-38	2.35 Apr	1.40 July	1.60 June	1 Jan	....	13,000	191,450	21,250
S'hai Sumatra Rubber Ests., Ltd.	120,000	76,956	T5	Oct.	Final Div. $0.80 (Mkg. $1.30 a/c 1936-37)	28-2-37	21 Apr	13.90 June	8.50 June	7 Feb	....	2,000	17,600	7,443
Sua Manggis Rubber Co., Ltd.	280,000	270,000	T1	Dec.	Final Div. $0.10 (Mkg. $0.20 a/c 1937)	28-2-37	2.41 Apr	1.40 July	1.90 Mar	1.40 Apr	....	5,000	300,770	26,295
Sungala Rubber Estate, Ltd.	180,000	180,000	T1	Mar.	Final Div. $0.20 (Mkg. $0.40 a/c 1937-38)	26-5-38	7.05 Apr	4.50 Nov	5.10 June	3.50 Feb	....	200	54,209	2,773
Sungei Duri Rubber Estate, Ltd.	40,000	40,000	£1	June	Int. Div. $0.50 a/c 1937-38 ($3.75, 1936-37)	7-1-38	48 Apr	27 Dec	28.50 Mar	22 Apr	....	....	6,275	2,677
Tanah Merah Estates (1916), Ltd.	1,500,000	1,300,000	T1	Mar.	2nd Int. Div. $0.05 (Mkg. $0.09 1937-38($0.15 1936-37)	7-1-38	3.03 Apr	1.70 Dec	1.95 June	1.45 May	2,000	12,500	991,071	34,500
Tebong Rubber Estate, Ltd.	4,000,000	4,000,000	T0.10	Jan.	Final Div. $0.04 (Mkg. $0.08 a/c 1937-38)	31-5-38	1.26 Apr	0.68 Dec	0.89 June	0.63 Jan	18,000	76,300	2,635,252	216,368
Ziangbo Rubber Co., Ltd.	300,000	250,000	10s.	Dec.	Final Div. $0.90 (Mkg. $1.50 a/c 1937)	1-4-38	18.10 Apr	11.25 Nov	13.25 June	10 May	500	2,100	48,640	7,098

Quotations in Chinese Dollars unless otherwise stated • Quoted in Hongkong Dollars.

Rubber Output Statistics

Company	Agents	Paid up Capital $	Output last fin. year: Year ended	Output last fin. year: Quantity (lbs.)	Provisional Assessments of Standard Production for 1938	Output for month of April 1938 (lbs.)	Total Output this financial year (including April 1938) (lbs.) •
Alma	W	881,119	30-9-37	544,500	669,200	43,000	312,000 (7)
Anglo-Dutch	W	2,202,797	31-12-37	1,375,679	1,648,726	73,413	516,317 (4)
Anglo-Java	W	2,927,288	31-12-37	3,900,860	3,491,275	163,140	1,056,224 (4)
Ayer Tawah	G	469,229	30-9-37	651,500	719,100	39,000	346,000 (7)
Batu Anam	W	134,266	31-12-37	475,700	609,913	32,000	144,000 (4)
Bute	B	494,682	31-12-37	640,307	756,000	41,845	175,285 (4)
Chemor United	W	133,811	31-12-37	655,500	740,900	39,000	186,000 (4)
Cheng	W	147,054	30-6-37	363,500	344,300	22,000	269,000 (10)
Consolidated (1914)	B	508,570	31-12-37	1,111,800	1,319,500	71,000	296,000 (4)
Dominion	B	279,720	31-12-37	681,630	762,200	42,300	196,500 (4)
Gula-Kalumpong	—	£ 665,000	31-12-37	4,050,000	5,279,336	—	—
Java Consolidated	W	909,249	31-12-37	1,043,221	938,520	54,454	297,181 (4)
Kapayang	W	206,993	31-12-37	153,500	174,940	8,000	39,000 (4)
Kota Bahroe (1921)	B	484,410	30-6-37	598,000	782,187	29,500	558,000 (10)
Kroewoek	W	307,692	31-12-37	965,853	1,227,556	84,436	337,303 (4)
Langkat	M	2,552,448	31-10-37	1,181,000	1,607,775	Nil	490,000 (6)
Padang	B	699,301	30-4-37	259,700	381,200	17,200	334,400 (12)
Permata	F	317,219	31-10-37	115,137	—	5,688	50,028 (6)
Repah	W	188,811	31-12-37	581,700	620,000	35,000	156,000 (4)
Rubber Trust	W	1,513,287	30-9-37	1,072,267	286,355	—	—
Samagaga	W	141,399	30-9-37	341,100	471,000	22,000	207,000 (7)
Semambu	W	125,874	31-12-37	422,000	473,780	32,000	125,000 (4)
Senawang (1921) {Ord. Pref.	W	206,913	31-1-38	577,100	660,380	40,000	111,000 (3)
Shanghai Kedah	B	419,580	30-9-37	590,805	920,020	32,500	435,100 (7)
S'hai Kelantan (1925)	T	195,804	31-12-37	294,165	343,807	19,600	75,000 (4)
Shanghai Malay {Ord. Pref.	W	802,517	31-12-37	607,080	664,545	36,000	167,000 (4)
Shanghai Pahang	B	329,930	30-6-37	386,000	565,600	34,500	389,800 (16)
Shanghai Seremban	W	454,545	31-12-37	255,100	309,000	16,000	70,000 (4)
Shanghai Sumatra	M	538,154	31-10-37	700,000	868,436	Nil	245,000 (6)
Sua-Manggis	W	377,622	31-12-37	232,100	255,000	16,000	60,000 (4)
Sungala	G	252,000	31-3-38	357,250	464,100	25,000	25,000 (1)
Sungei Duri	B	475,524	30-6-37	540,000	688,690	36,000	438,000 (10)
Tanah Merah (1916)	B	1,818,182	31-3-37	957,600	1,329,343	80,000	80,000 (1)
Tebong	W	559,441	31-1-38	1,340,000	1,375,900	53,000	226,000 (3)
Ziangbo	W	1,440,619	31-12-37	2,539,729	1,589,272	86,861	471,775 (4)

•Numbers in brackets indicate the number of monthly outputs included in said totals.
B—A. R. Burkill & Sons, Ltd., 20 Canton Road
F—Frost, Bland & Co., Ltd., 33 Szechuen Road
G—Geddes Trading & Dairy Farm Co., Ltd., 61 Yuen Ming Yuen Road
M—George McBain, 1 The Bund
T—Turner, Sturrock & Brown, 9 Av. Edward VII
W—J. A. Wattie & Co., Ltd., 93 Canton Road

Rubber Prices

June	11th	13th	14th	15th	16th	17th
London Spot	5.7/8d	CLOSED	5.13/16d	5.13/16d	5.15/16d	5.7/8d
July	5.7/8d		5.7/8d	5.13/16d	5.15/16d	5.7/8d
August	5.15/16d		5.7/8d	5.7/8d	6d	5.15/16d
Oct./Dec.	6d		5.15/16d	5.15/16d	6.1/16d	6d
Market	Firm		Quiet	Quiet	Firmer	Quiet
Singapore Spot	19.1/2	19.1/4	19.1/4	19.1/4	19.3/8	19.5/8
July/Sept.	20.1/4	20	20.1/8	20	20.1/4	20.3/8
Market	Very quiet	Very quiet	Steady	Steady	Quiet steady	Very quiet
New York						
July	12.02	CLOSED	11.85	12.02	12.10	12.16
September	12.12		11.95	12.14	12.29	12.36
October	12.17		12.01	12.19	12.34	12.41
December	12.29		12.14	12.29	12.45	12.50

Forward Settlements for 1938

June 28th, Tuesday — July 26th, Tuesday — August 23rd, Tuesday
September 29th, Thursday — October 25th, Tuesday — November 24th, Thursday
December 20th, Tuesday

Debentures

OPENING PRICES June 15th, 1938	Buyers	Sellers	Nominal	Last Done: Price	Last Done: Date	Loan amount outstanding	Interest payable at end of	Total amount of sales reported Jan. 1—June 17: 1937	1938
Shanghai Municipal Council 6% 1926 (10/30) Tls.	..	..	100	100	12-8-37	Tls. 4,880,000	June-Dec.	40,500	—
,, ,, ,, 5% 1934 (10/30) $	..	..	99	99	31-7-37	$10,404,700	do.	453,600	—
,, ,, ,, 5½% 1936 (10) ,,	..	..	103	103	19-7-37	$5,000,000	do.	602,400	—
,, ,, ,, 5% 1937 (10/30) ,,	..	..	99	99	6-8-37	$9,000,000	do.	—	—
French Municipal Council 6% 1911 (10/30) Tls.	..	..	100½	100	7-4-37	121,100	May-Nov.	700	—
,, ,, ,, 5½% 1914 (,,) ,,	..	..	97	97½	12-6-36	271,000	June-Dec.	—	—
,, ,, ,, 5½% 1916 (,,) ,,	..	..	97	100½	31-4-34	203,700	do.	—	—
,, ,, ,, 8% 1921 (,,) ,,	..	..	100	100	26-4-38	1,679,300	do.	11,400	28,300
,, ,, ,, 6% 1923 (,,) ,,	..	..	100½	99½	12-1-37	731,000	May-Nov.	5,000	—
,, ,, ,, 7% 1924 (,,) ,,	..	..	96	101	22-12-36	759,600	Mar-Sept.	—	—
,, ,, ,, 6½% 1925 (20/30) ,,	..	..	102½	101	24-3-37	2,000,000	Apr.-Oct.	1,500	—
,, ,, ,, 6½% 1926 (,,) ,,	..	..	102½	102½	21-6-37	1,000,000	Jan.-July	—	—
,, ,, ,, 6% 1930 (10/25) ,,	..	..	100½	103	19-7-37	2,000,000	Apr.-Oct.	—	—
,, ,, ,, 6% 1931 (,,) ,,	..	..	100½	103	19-7-37	3,000,000	Feb.-Aug.	10,700	—
,, ,, ,, 6% 1933 (10/30) ,,	..	..	100½	100	11-8-37	2,000,000	Mar.-Sept.	3,100	—
,, ,, ,, 5% 1934 (,,) $	..	..	95½	95½	8-7-37	$5,000,000	Jan.-July	213,100	—
,, ,, ,, 6% 1936 (10/15) ,,	..	..	103½	103½	5-7-37	$2,500,000	May-Nov.	120,400	—
American Club 7% 1933 (5/20) Tls.	..	..	50	89	20-10-36	750,000	1/4-1/10	—	—
Anglo-French Land Invest. Co. 6% 1931 (10/20) ,,	..	..	100	100	9-6-37	1,000,000	June-Dec.	22,500	—
Asia Realty Co. 6% 1930 (10/30)c ,,	..	..	90	90	7-2-35	1,360,200	1/3-1/9 }		—
,, ,, 6% 1930 (10/30)r ,,	..	..	90	90	7-2-35	3,000,000	1/4-1/10 }	—	—
Cathay Land Co. 6% 1930 (5/20) ,,	..	..	75	80	10-3-37	3,000,000	June-Dec.	5,000	—
,, ,, ,, 6% 1932 (10/20) ,,	..	..	75	80	28-6-37	1,000,000	do.	22,000	—
,, ,, ,, 6% 1933 (,,) $	..	..	80	80	28-6-37	$1,500,000	do.	36,000	—
Central Properties 5½% 1934 (10) ,,	..	..	92	92	26-4-37	$18,000,000	do.	55,000	—
China Realty Co. 8% 1930 (5/10) Tls.	..	..	37	37	2-8-37	3,000,000	1/4-1/10	} 267,400	—
,, ,, 8% 1931 (,,) ,,	..	..	37	37	2-8-37	4,500,000	1/4-1/10	}	—
China Transport 8% 1931 (4/20) ,,	..	..	100	100	15-5-34	600,000	June-Dec.	—	—
City Loan 7% 1932 (20) $	..	..	85	85	12-8-37	$6,000,000	15/6-15/12	222,400	—
,, ,, 7% 1934 (12) ,,	..	..	92	92	16-7-37	$3,500,000	30/6-30/12	291,500	—
Columbia Country Club 7% 1933 (1/12-20) Tls.	..	..	93	93	5-7-37	350,000	June-Dec.	—	—
Country Club 6% 1901 (Perpl) ,,	..	..	95	95	18-2-37	122,100	do.	1,000	—
Fonciere et Immobiliere {6% 1930 (10/15) ,,	..	..	95	89	3-3-37	1,000,000	do.	} 50,000	—
{6% 1933 (10/15) ,,	..	..	95	89	3-3-37	1,000,000	do.	}	—
Fonciere et Immobiliere 6% 1934 (,,) $	..	..	95	85	13-1-37	$1,925,000	do.	51,000	—
French Club 7% Tls.	..	..	90	82	5-3-37	500,000	do.	250	—
International Investment Trust 6% 1930 (10/25) ,,	..	..	78	78	15-7-37	1,951,000	1/4-1/10	} 6,000	—
,, ,, ,, 6% 1931 (,,) ,,	..	..	78	78	15-7-57	963,000	1/4-1/10	}	—
G. E. Marden & Co. 6% 1930 (10/15) ,,	..	..	95	97	29-4-37	500,000	June-Dec.	6,000	—
Metropolitan Land Co. 6% 1933 (10/20) $	..	..	85	85	14-7-37	$2,000,000	do.	6,500	—
Race Club 6% 1934 (10/25) ,,	..	..	92½	92	5-7-37	$2,000,000	Feb.-Aug.	5,100	—
Realty Investment Co. 6% 1934 (10/30) ,,	..	..	90	102	6-11-34	$500,000	June-Dec.	—	—
Shanghai Land Investment Co. 6% 1926 (20/30) Tls.	..	..	101	100	1-6-37	1,000,000	Mar.-Sept.	6,000	—
,, ,, ,, ,, 5% 1930 (15) ,,	..	..	90	87	3-7-37	5,000,000	31/5-30/11	16,100	—
,, ,, ,, ,, 6% 1931 (10/20) ,,	..	..	101	99½	26-7-37	3,000,000	June-Dec.	16,400	—
,, ,, ,, ,, 6% 1933 (5/20) ,,	..	..	101	100	5-7-37	1,000,000	do.	5,000	—
,, ,, ,, ,, 5% 1934 (5/40) $	..	..	90	90	24-7-37	$2,800,000	Apr.-Oct.	72,300	—
Shanghai Power Co. 5½% 1933 (10/40) ,,	..	..	88½	87	12-8-37	$88,000,000	10/2-10/8	4,199,100	—
Shanghai Telephone Co. "A" 6% 1932 (10/25)r Tls.	..	..	99	98½	5-8-37	5,000,000	1/2-1/8	197,100	—
,, ,, ,, "B" 6% 1933 (9/24)c $	..	..	99	99	28-7-37	$10,000,000	1/2-1/8	} 765,700	—
,, ,, ,, "B" 6% 1933 (9/24)r ,,	..	..	99	99	28-7-37		1/2-1/8	}	—
,, ,, ,, "C" 6% 1937 (20) r ,,	..	..	98	99	22-7-37	$4,000,000	1/2-1/8	2,000	—
Tientsin Land Investment Co. 7% 1929 (12/22) Tls.	..	..	104	103	22-12-33	1,446,600	June-Dec.	—	—
Shanghai Waterworks Co. 6% 1932 (10/30) ,,	..	..	94	94	11-3-38	2,800,000	do.	9,000	3,000
,, ,, ,, 5½% 1937 (,,) $	..	..	104	104	28-7-37	$2,000,000	do.	2,500	—
,, ,, ,, 5% 1937 (,,) ,,	..	..	99	100	15-7-37	$725,000	do.	288,600	—
Wing On Co. (S'hai) 7% 1936 (10) ,,	..	..	94½	94½	27-1-37	$5,000,000	1/4-1/10	9,000	—

TO-DAY'S EXCHANGES:
Hongkong & Shanghai Bank's Selling Rates (T/T) Opening June 17th, 1938 (10 A.M.)
London £1 at Exch. 8¼d = Sh. $28.24 New York G. $100 at Exch. 17-9/16 = Sh. $569.40 Hongkong $100 @ Exch. 56½ = Sh. $176.60

Chinese Government External Bonds

			London Nominal Prices June 9th	June 16th
Chin. Govt.	5 per cent	Reorg. Gold Loan 1913, British Issue	£ 62 0 0	£ 57 0 0
,, ,,	4½ ,,	Gold Loan 1908 (Anglo-French)	£ 90 0 0	£ 88 0 0
,, ,,	5 ,,	Gold Loan 1912 (Crisp)	£ 48 0 0	£ 42 0 0
,, ,,	5 ,,	Gold $ Bonds 1925, stamped (Per G $500)	£ 68 10 0	£ 61 0 0
,, ,,	5 ,,	Shanghai-Nanking Railway Bonds	£ 27 10 0	£ 22 0 0
,, ,,	5 ,,	Hukuang Railway Bonds (L.P.N.Y. Issues)	£ 28 0 0	£ 23 0 0 XD
,, ,,	5 ,,	Tientsin-Pukow Railway Bonds 1908	£ 26 0 0	£ 23 0 0
,, ,,	5 ,,	,, ,, 1910	£ 26 0 0	£ 23 0 0
,, ,,	5 ,,	Honan Railway Bonds 1905	£ 33 0 0	£ 30 0 0
,, ,,	5 ,,	Lung Tsing U Hai Railway Bonds	£ 18 0 0	£ 15 0 0
,, ,,	8 ,,	Sterling Treasury Notes (Vickers)	£ 16 0 0	£ 14 0 0

Company's Notices

The Shanghai Municipal Council.—The Debenture Transfer Books of Municipal Loans will be closed from June 16th to 30th, both days inclusive.

Fonciere et Immobiliere de Chine.—The Debenture Transfer Books will be closed from June 21st to 30th, both days inclusive.

G. E. Marden & Co., Ltd.—The Debenture Transfer Books will be closed from June 22nd to 30th, both days inclusive.

The Shanghai Waterworks Co., Ltd.—The Debenture Transfer Register will be closed from June 18th to 30th, both days inclusive.

The Cathay Land Co., Ltd.—The Debenture Transfer Registers will be closed from June 18th to 30th, both days inclusive.

Shanghai Power Co.—The regular quarterly dividend of Tls. 1.50 per share on the Tls. 6 Silver Preferred Stock has been declared for payment July 5, 1938, to Stock holders of record June 15, 1938. The Transfer Books will not be closed.

The Anglo-French Land Investment Co., Ltd.—The Register of Transfers of Debentures will be closed from June 24th to 30th, both days inclusive.

The International Investment Trust Co. of China.—The 8th Annual General Meeting of Shareholders will be held in the Board Room of Messrs. E. D. Sassoon & Co., Ltd. Sassoon House, Shanghai, on Monday, June 27th at 4 p.m. The Transfer Books will be closed from June 17th to 27th, both days inclusive.

Yangtsze Finance Co., Ltd.—The 8th Annual General Meeting of Shareholders will be held in the Board Room of Messrs. E. D. Sassoon & Co., Ltd., Sassoon House, Shanghai, on Monday, June 27th at 4.15 p.m. The Transfer Books will be closed from June 17th to 27th, both days inclusive.

Metropolitan Land Co., Ltd.—The Register of Transfers of Debentures will be closed from June 21st to 30th, both days inclusive.

The Shanghai Land Investment Co., Ltd.—
31 Issue 6% 1931 32nd Issue 6% 1933
The Register of Transfers of the above Debentures will be closed from June 16th to 30th, both days inclusive.

Central Properties 5½% 1934 Debentures.—The Register of Transfers Debentures will be closed from June 16th to 30th, both days inclusive.

Kelly & Walsh, Ltd.—The 53rd Annual General Meeting of Shareholders will be held at 66 Nanking Road, Shanghai, on Wednesday, June 29th at 5.30 p.m. when a Dividend of $0.50 per share will be recommended to shareholders. The Transfer Books will be closed from June 25th to 29th, both days inclusive.

Share Report

Share Market Report (Up to Friday noon).—The market was active during the early part of the week with prices advancing as a direct result of the sharp depreciation of the national dollar. Towards the close trading was not quite so brisk and rates were inclined to ease following a slight improvement in the sterling dollar rate. It is rather surprising that the share market has not responded sooner to the decline of the dollar, especially the shares of these companies which have sterling issues. The price of these shares has undoubtly been too low, but investors have continued to hold off until this week when there appeared to be a good deal of money available for investment. The market is extremely sensitive however and any fluctuation in exchange will be quickly reflected in the local share market. Once again Shanghai Waterworks "A" lead the advance these shares have advanced $25 on the week while Trams "Bearer" followed with an improvement of $3 but towards the close were only two dollars over last week's rates. There was a little more interest shown in Shanghai Lands than for some time past several thousand shares changing hands. Ewo Cottons after advancing to $15.50 became easier closing at $15. Business was also recorded in Docks and Wheelocks while Power Pref. were higher by 3½ dollars. The Debenture market was a little more active especially Power 5½% gaining 3½ points, F. M. C. 6% and S. M. C. 5½% and 6% were also traded in.

Rubber Reviews, Chinese Government Bonds, etc.

Rubber Review :—While little change has taken place in the raw commodity the demand for the shares of local companies has been much better. Practically the entire list shows an advance from last week the market however closing a little under the best.

The following information has been courteously supplied by Reuters :—

London and Liverpool Stocks of Rubbers on June 11th totalled 87,926 tons showing an increase of 89 tons during the week. Deliveries during the week totalled 789 tons compared with 774 tons for the previous week.

The following are the usual comparative weekly prices :—

	London Spot	London July	Singapore Spot	Singapore July/Sept.	New York July	New York Sept.	New York Oct.
June 9th	5.13/16d.	5.13/16d.	Closed		12.06	12.20	12.21
June 16th	5.7/8d.	5.7/8d.	19.5/8	20.3/8	12.16	12.36	12.11
Market	Quiet		Very quiet				

Chinese Government External Bonds and Railway Loans :—For the moment business in this market is practically at a standstill, local investors are entirely out of the market and even in London business is difficult as a result of a further decline in the value of the dollar and heavy floods in the railway areas as a result of the bursting of the dykes.

The Information above given, though not guaranteed, has been obtained from sources believed to be reliable.
Agents and Secretaries of Companies are requested kindly to notify The Secretary of the Shanghai Stock Exchange, 16 Central Road, of any errors or omissions.

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COMMERCE AND FINANCE

Money and Exchange

Hongkong & Shanghai Bank

TUESDAY, JUNE 21, 1938

BANK'S SELLING RATES 10 A.M.

£1 @ 9⅛ .....$ 26.30
U.S. $100 @ 18⅞ $529.80

BANK'S BUYING RATES 10 A.M.

£1 @ 9 1/16 .....$25.771
U.S. $100 @ 19 1/16 .....$517.75
London—demand 9 3/16
4 months' sight credits 9⅛
4 months' sight docts 9 7/32
6 months' sight credits 9 1/32
6 months' sight docts 9 3/32
New York—demand .....U.S. $19 1/16
4 months' sight credits 19 1/16
4 months' sight docts 19 1/16
Paris—4 months' sight docts Fcs. nom.

CLOSING RATES

Sterling ..... 9 3/32 U.S. $18 1/16

Chartered Bank

Canadian $100 @ 18½=$540.54

Netherlands Trading Society

Netherlands Guilders .....Buying 34½
Java Guilders 34½
Netherlands Guilders .....Selling 33½
Java Guilders ..... " 33½

American Express Co., Inc.

Buying U.S$100=$514.47 £1=$25.60
Selling U.S.$100=$529.80 £1=$26.30

Banque Belge Pour L'Etranger

Belgas 1.09¼=$1 Belgas 29.10=£1

Italian Bank For China

It. Lire 3.45=$1 Swiss Frs 0.81=$1
Tourist Lire. 3.82 .....=$1

Other Quotations

Berlin-Hamburg T.T. $100=Rm. 46.00
$100=Reg. Mk. 91.00

Local Exchange Report

Messrs. Drakeford, Davis & Wilson

INTER BANK CASH DELIVERY

£	Highest	Lowest
U.S. G.$	19 1/16	18 15/16
Yen	—	—

MERCHANTS CLOSING RATES

	SELLING		BUYING	
	Cash		June	
£	T.T.	9	4 m/s. l.c.	9 3/32
G.$	T.T.	18⅜	4 m/s. l.c.	19
Fcs.	T.T.	667	4 m/s.	696
Rs.	T.T.	50⅝	7 d/s.	52

BAR SILVER

	READY	FOR'D
London pence per std. oz.	18 13/16	18½
N.Y. cents per oz. troy	42¾	—
Bombay Rs. per 100 tolas	49.10	—

Bombay offtake 25 bars.

London silver was ⅛ up both ready and forward, being 18 13/16 for ready and 18½ forward. New York was unchanged at 42¾ and Bombay was 1 anna up at 49.10.

It was reported speculators bought. Offerings small. Market quietly steady. After the official fixing the market was very steady with a little American trade buying at 1/32nd over the fixed rate.

The local exchange market opened with sellers to merchants at 9⅛ sterling and 18⅞ U.S.$.

The Inter-bank market opened with sellers at 9⅛ sterling and 18⅞ U.S.$ and no buyers but no improvement of ⅛th in sterling and ¼ in Dollars brought out buyers. A fair business was done on this basis but all offerings being absorbed the market became easier and ultimately declined steadily. The market closed easy with best sellers at:—

9 1/32 sterling	18¾ U.S.$	Cash
9 3/32 "	18 13/16 "	June
8 29/32 "	18 7/32 "	July

German Credit Policy Extolled

Berlin, June 20.

The President of the Reichsbank, Dr. Hjalmar Schacht, in a speech to officials of that institution today discussed problems of the German credit policy, of the financing of the requirements of the German state and of an increase of the token money.

Dr. Schacht said the "art of financing" formed an indispensable completion of the political art and that the Reichsbank had not hesitated to embark courageously but not lightheartedly on an entirely new policy in this respect.

The foreign countries had evidently not expected that the National Socialist Government would so stoutly defend the German currency alike on the home and foreign markets. It was a great satisfaction to observe that the Reich Government had succeeded in accomplishing this aim whereas other countries despite big gold reserves and an allegedly "classical" financial policy had failed to protect their currencies from devaluation.

The favourable development of Germany s' economic conditions at home was shown by the increase of the revenue derived from taxation from Rm. 6,600,000,000 in 1923 to approximately Rm. 14,000,000,00 in 1937. Production on behalf of the state could not, however, be indefinetely continued on the present scale since it was necessarily limited by the capacity of the stock market to absorb long-term loans needed by the Government. Hence it must be the aim of the financial and economic policy to intensify the private production to the greatest possible extent.—Trans-Ocean.

London Stocks

Monday's Closing Quotations

	June 17	20
War Loan 3½% (Red.)	£101 13/16	101 13/16
JAPANESE BONDS		
Japan 5% Stg. Loan, 1907	44	44½
Japan 6% Stg. Loan, 1924	53½	54
COMMERCIAL AND INDUSTRIAL		
Allied Ironfounders	21/6	21/3
Armstrong, Stevens	6/9	6/9
Assoc. & Elec. Indus.	35/-	35/3
Austin Motors, ord.	23/-	23/3
Bristol Aeroplane, ord.	51/10½	52/4½
British-American Tob.	97/6	98/0.
Cable & W., new form,	45	45
Cammell Laird, ord.	7/9	7/9
Courtaulds	34/4½	35/4½
Distillers	96/9	98/-
Dunlop Rubber	27/-	27/9
General Elec. (Eng.)	73/6	*70/9
Guinness (A) Son & Co.	110/6	110/6
Hawker Siddeley Aircraft	26/10½	26/10½
Imp. Chem. Indus.	30/-	31/4½
Imp. Tobacco	131/3	133/1½
Leyland Motors	75/7½	77/1½
Marks & Spencer "A ord.	54/1½	54/1½
Pressed Steel, com.	13/6	*15/9
Rolls-Royce	95/7½	99/3
Smethwick Drop Forgings	16/6	16/3
Tate & Lyle	75/-	75/1½

Note Reserves of Four Big Banks Announced

Hankow, June 16.

The Reserve Control Committee, after checking up the note issues and reserves of the four Government banks on May 29, 1938, reported as follows:

Central Bank notes totalled $472,812,000, with cash reserves amounting to $313,776,000.

The Bank of China notes amounted to $648,390,000, with cash reserves at $423,641,000.

Bank of Communication notes were shown as $322,154,000, with cash reserves at $193,419,000.

The Farmers Bank notes totalled $261,965,000 and cash reserves $183,015,000.

The total number of notes issued amounted to $1,705,320,000 with cash reserves at $1,113,850,000.—Reuter.

Turner & Newall	76/-	*76/6
United Steel	21/7½	21/10½
Vickers, ord.	20/9	20/10½
Woolworths	61/6	61/10½
MISCELLANEOUS		
Anglo Dutch	24/-	24/7½
Rubber Pltn. Invest.	24/4½	25/-
MINES		
Burma Corp.	7/10½	8/3
Commonwealth Min.	1/10½	1/10½
Marsman Invest.	10/6	10/6
Randfontein Ests.	36/7½	*33/9
Sub-Nigel	223/9	*215/-
Tanami Gold Min.	6d.	6d.
Western Holdings	14/6	14/6
OILS		
Anglo Iranian	85/-	*83/1
Burmah	116/3	**78/1
Mexican Eagle	4/9	4/7½
Shell Trans. & Trad.	82/6	85/-

*—Ex. Dividend. **—Ex. Rights.

CHINESE EXTERNAL LOANS, ETC.

4½% Gold Loan, 1898 £	73	72
5% Gold Bonds, 1925-47	62½	61
4½% Anglo-French Loan	85	88
5% Crisp Loan, 1912	41	40
5% Reorg. Loan, 1913	57	56
8% Stg. Notes, 1925	14	14
5% Honan Rly., 1905	30	30
5% Hukuang Rly., 1911	23	22
5% " " (Ger. Is.)	22	21
5% Lung Tsing U. H. Rly.	15	14½
5% S'hai-Nanking Rly.	22	22½
5% T'tsin-Pukow Rly.	B. 22	21
5% " "	G. 22	21
5% " " (Supl. Loan)	B. 22	21
5% " " (Supl. Loan)	G. 22	21
5% Canton-Kowloon Rly.	17	17
S'hai Elec. Construction	25/- N	25/- N
S'hai Waterworks "A"	19 N	19 N
Un. Ins. Soc. of Canton	30½ N	30½ N
Charted. Bank of I.A.& C.	11⅝	11⅝
H. & S. Bank (Ldn Reg.)	87	87
" " (Col. Reg.)	89	89
Chinese Eng. & Min.	14/-	14/-
Chosen Corp.	8/-	8/-
Pekin Syndicate	2/- N	2/- N
Gula Kalumpong Rubber	18/9	18/9

N—Nominal.

Manila Gold Shares

(Closing Bids in Pesos)

	June 20	June 21
Antamok	.42	.43
Atok	.27	.27
Benguet Consolidated	10.00	10.00
Consolidated Mines	.003	.003
Demonstration	.28	.29
Mine Operations	.10	.10
San Mauricio	.46	.48
United Paracale	.30	.31

Turnover: 82,000 Pesos.
Shares Index: (closing) 77.11.—Reuter.

London Loan Sought

Berlin, June 19.

M. George Tatarescu, former Rumanian Premier, is at present in London because he is attempting to raise a loan for Rumania, observers here stated today.

The proceeds from the loan would be used for the development and exploitation of Rumanian oil fields, and for the construction of a new railway from Constanza to the Czech border.—Havas.

New York Stocks

Monday's Closing Quotations

	June 18	20
Adams Express	8	9
Alleghany Steel Co.	14	14½
Allis Chalmers	40⅜	42¾
Amer. Can	86⅝	90
Amer. Cyanamid "B"	16⅛	18½
Amer. & For. Power	B 3¼	3½
" " $7 pfd.	B 16½	18
Amer. Locomotive	B 14	15⅝
Amer. Metals	B 28½	30½
Amer. Radiator	10½	11⅝
Amer. Rolling Mill	B 14¾	16½
Amer. Smelting	35½	38¾
Amer. Sugar Refining	21½	21¾
Amer. Tel. & Tel.	129½	132⅝
Amer. Tobacco "B"	B 70½	73½
Amer. Waterworks	8⅛	8⅝
Anaconda Copper	24	26¼
Atchison, T. & S. Fe.	24¾	26½
Atlas Corp.	B 6⅛	6⅞
Auburn	21½	25⅝
Baltimore & Ohio	4⅜	4⅞
" " pfd.	5⅛	6
Barber Asphalt Corp.	B 15½	17¼
Barnsdall Oil Co.	13	14
Bethlehem Steel	44¼	48
Boeing Airplane Co.	23⅜	24¾
Borden Co.	B 15⅛	15½
Borg Warner	19⅝	20¾
Briggs Manufacturing Co.	17¾	18⅞
Bklyn-Manhattan Trans.	8⅞	8⅝
" $6 cum. pfd.	26	26⅝
Case, J.I.	B 75¼	81¾
Can. Pacific Rly.	5⅜	5¾
Celanese Corp.	B 12	13
Cerro de Pasco	34¾	36½
Chase Nat. Bank	B 28¼	B 29⅞
Chesapeake Corp.	29¼	31
Chesapeake & Ohio	22	24
Chrysler	41⅛	45¼
Columbia Gas & Elec.	6	6⅝
" " "A" pfd.	B 60	61
Coml. Credit	30	31⅜
Coml. Solvents	7⅞	7⅞
Comm. & Southern (ord.)	1¼	1¼
" $6 cum. pfd.	37¼	39½
Consolid. Edison	24	25
Consolid. Oil	9	9
Continental Can	B 38⅞	40¼
Continental Oil	27½	29⅝
Corn Products	B 64½	65¾
Curtiss Wright (com.)	4½	4¾
" " "A"	19½	20
Delaware & Hudson	B 8⅛	9¼
Delaware, Lackawanna	4⅜	4¼
Deere Co.	15½	17½
Distillers Corp. Seagrams	12¼	12½
Douglas Aircraft	43½	46
Du Pont de Nemours	96⅞	101½
Eagle Picher Lead	7¾	8⅝
Elec. Boat Co.	B 7½	7⅞
Elec. Bond & Sh.	6¾	7⅜
" " $5 pfd.	B 42	47
" " $6 pfd.	B 49	51
Elec. Power & Lt.	9¼	10
" " 7% pfd.	B 34	37
Flintkote Co.	14¼	15½
Freeport Sulphur	B 24¼	25
Gen. Amer. Trans	37¼	38½
Gen. Cigar	22½	B 23
Gen. Elec.	33	36
Gen. Foods	29½	29⅞
Gen. Motors	28⅞	31
Gen. Rly. Signal	B 14¼	15¾
Glidden Co.	B 16½	17¾
Goodrich (B.F.)	11½	13⅛
" $5 pfd.	32	35
Goodyear Tire & R.	17½	18⅞
Great Nthrn. Rly.	B 14½	15⅛
Great Western Sugar	25¾	B 26⅛
Greyhound Corp.	9¼	*9¾
Hecker Prods.	B 6⅜	6⅞
Humble Oil	B 60⅛	62
Int. Nickel	42⅜	44¾
Int. Tel. & Tel.	B 8¾	9½
Interstate Department	B 8	9
Kennecott	29¾	32⅛
Lambert Co.	B 11	11⅛
Libby-Owens-Ford Glass	27¾	30¾
Lockheed Aircraft	11⅜	12⅛
Loew's Inc.	41	43½
Lorillard	16⅛	16¼
McKesson & Rob.	28	28
Macy R. H.	30	31
Martin, Glenn L. Co.	22⅛	23⅛
Monsanto Chemical	78	80
Montgomery Ward	32	34½
Nat. Bond & Investment	B 12	B 12
Nat. Cash Register	B 15¼	16½
Nat. City Bank	B 23¼	B 24¾
Nat. Dairy Prods.	B 13⅝	14
Nat. Distillers	18¾	19½
Nat. Power & Lt.	6¼	6⅝
Nat. Supply Co.	15⅝	16½
New York Central	10¾	12⅛
Niagara Hudson & Power	7	7¼
North Amer. Aviation	9⅛	9⅜
North Amer. Co.	18⅞	19⅛
Northern Pacific	7¼	8⅛
Pacific Gas & Elec.	26½	27⅝
Pacific Lighting	38	38½
Packard Motors	3½	3¾
Paramount Pictures Inc.	6⅞	7½
" " 1st pfd.	B 67⅞	74
Pennsylvania R.R.	14¼	15½
Phillips Petroleum	32¾	34⅝
Public Serv. of N.J.	B 26⅝	28⅛
Pure Oil	9⅛	10¼
" 5% conv. pfd.	B 74¼	75¾
Radio Corp. of Amer.	5¼	5⅝
Republic Steel Co.	12⅜	14
" 5½% pfd.	B 61	63
Reynolds Tobacco "B"	37¼	37¾
Schenley Distillers	B 14⅜	15½
Sears Roebuck	56⅛	60
Shell Union Oil	B 11¾	13⅛
Socony-Vacuum	13	14
South Cal. Edison	B 21½	21⅞
Sthrn. Pacific	10¼	11½
Southern Railway	6¾	7¼
Sthrn. Rly. pfd.	10⅛	11½
Stand. Brands	7	7¼
Stand. Gas & Elec.	3⅛	3¾
" $7 pfd.	B 17	19¼
Stand. Oil of N.J.	46½	48
Sterling Prods.	62	62½
Studebaker	4¼	4½
Swift International	B 24⅞	25⅛
Technicolor	22⅝	23½
Texas Corporation	37½	40
Texas Gulf Sulphur	31⅛	31¾
Tide Water Associated	12	13
Transamerica (new)	8⅞	9¼
Tw.-Century-Fox	B 20¾	21⅞
" " pfd.	B 29⅜	30
Un. Carbide & Carbon	65	68¾
Un. Pacific	62½	63½
Un. Aircraft (new)	25⅛	26¾
Un. Airlines Trans.	B 7⅝	8⅛
Un. Corp.	2⅛	2⅛
" $3 pfd.	24¾	25⅛
Un. Gas Corp.	3⅛	3⅜
Un. Gas Improvement	9¾	9¾
United Light & Power Co.	B 2	2⅛
U. S. Indus. Alcohol	B 17	17¾
U. S. Rubber	26½	29
" 8% non-cum.	63½	66½
U. S. Smelt. R. & M.	B 58½	61½
U. S. Steel (no par)	42	45⅛
Vanadium	B 14	15¼
Warner Bros. Picts.	4¾	4¾
Westinghouse Elec.	74⅞	80¼
Woodward Iron	B 11	13¼
Youngstown Sheet & Tube	28¼	32
BONDS		
Amer. & For. Power 5s	50	51¾
Brazil	12¾	13
Chic. Milwaukee, St. Paul	8	8½
Cities Serv. Pwr.	56	57¾
Int. Tel. & Tel. 4½s	65¾	66⅝
Int. Tel. & Tel. 5s	69½	70½
New England Gas	51	B 51
Peru 6s 1961	8¼	8½
Stand. Gas & Elec.	B 49	50¾

B—Bid.—*Ex Dividend.—Reuter.

Shanghai's May Foreign Trade

Shanghai, June 18.

A grand total of $18,297,613 for foreign imports from abroad during May 1938, swelling the January-May figure to $85,396,301 is noted from the returns issued by the Chinese Maritime Customs for Shanghai. Exports totalled $11,995,521 for May and $57,715,799 for the January-May period.

Net Imports

(Including Bond Withdrawals)

	May 1938 C.S.$	Jan.-May 1938 C.S.$
Cotton piece goods, grey	16,284	69,133
Piece white or dyed	118,225	624,309
Piece printed	12,805	37,372
Piece miscellaneous	22,006	130,359
Cotton, raw, yarn	337,674	1,683,063
Cotton manu., sundry	59,653	206,476
Flax, ramie, hemp	229,121	1,360,024
Wool and Manu.,	437,580	3,066,972
Silk	32,499	195,049
Metal and Ores	2,050,945	11,022,615
Machinery and Tools	1,171,631	7,170,624
Vehicles and vessels	545,900	2,822,092
Metal Manu.,	611,029	3,196,730
Fishery Products	38,072	493,823
Canned Goods	409,337	1,501,045
Cereals and Flour	1,360,322	8,646,680
Fruits, seeds	165,044	503,544
Medicinal goods	275,140	817,168
Sugar	54,892	421,435
Wines, beer	69,963	270,993
Tobacco	3,684,263	8,460,769
Pharmaceuticals	777,722	3,114,544
Dyes, varnishes	767,681	2,520,681
Candles, resins, etc.	2,068,410	10,395,031
Books, maps, paper	1,125,941	3,768,413
Hides, leather, etc.,	152,362	501,445
Timber	197,694	719,420
Bamboo, straw, etc.,	222,199	679,806
Coal, fuel, tar	301,457	2,157,868
Chinaware, etc.,	60,130	542,742
Stone, earth	124,686	250,360
Sundry	796,996	3,012,716
Grand total	18,297,613	85,396,301

Net Exports

	C.S.$	C.S.$
Animal products	2,657,700	12,913,722
Hides, leather	804,189	2,006,838
Fish products	11,473	50,731
Beans and Peas	.....	.....
Cereals	10,525	12,063
Dyestuffs, vegetables	24	72,911
Fruits, preserves	15,391	61,727
Medicinals	76,027	394,735
Oils, tallow, wax	326,571	3,488,839
Seeds	46,766	155,501
Spirituous Beverages	53,042	177,731
Sugar	13	17
Tea	684,448	4,766,812
Tobacco	456,924	2,117,634
Vegetables	94,846	110,997
Vegetable products	114,730	327,149
Bamboo	4,058	12,678
Fuel	3,048	63,361
Rattan	287	414
Timber	51,668	203,848
Paper	103,053	442,706
Textile Fibres	620,393	3,828,505
Yarn, thread	2,208,484	10,564,749
Piece Goods	1,561,085	5,293,023
Other textiles	297,693	684,935
Ores, metals	342,030	1,106,769
Glass, glassware	37,556	165,377
Stone, earth	50,603	360,317
Chemicals	174,070	689,003
Printed matter	201,423	968,465
Sundry	1,137,401	6,454,242
Grand total	11,995,521	57,715,799

VALUE OF GOLD AND SILVER IMPORTED FROM AND EXPORTED TO FOREIGN COUNTRIES

	May		January-May	
	Gold	Silver	Gold	Silver
Imported From	G.U.	$	G.U.	$
British India			209,357	
Hongkong	197,727		3,194,471	
Total Imports	197,727	*	3,403,828	**
Exported To				

*Bank-notes, face value Chinese $540,000 were imported during the month.
**Bank-notes, face value Chinese $16,419,640 Piastres 18,540, £48,121 and U.S.$142,047 were imported during the period.
†Bank-notes, face value Hongkong $20,000 were exported during the month.
‡Bank-notes, face value Hongkong $20,000 were exported during the period.

IMPORTS FROM AND EXPORTS TO FOREIGN COUNTRIES: VALUE OF MERCHANDISE

	May 1938		1937		January-May 1938	
Imports	G.U.	$	G.U.	$	G.U.	$
Gross Imports	8,299,053		130,967,977		33,741,011	
Less Re-exports Abroad	202,764		298,983		897,490	
Net Imports	8,096,289	18,297,613	130,668,994	298,536,402	37,843,521	85,396,301
Exports						
Gross Exports	12,024,304		205,242,442		57,885,683	
Less Re-imports from Abroad	28,863		79,865		169,884	
Net Exports	11,995,521		205,162,577		57,715,799	
Total Net Imports and Exports		30,293,134		503,698,979		143,112,100
Excess of Imports Exports		6,302,092		93,373,825		27,680,502

Tea Trade Revives

Shanghai, June 15.

With the exchange favouring exporters, trading in China tea was brisk in Shanghai on June 13 in spite of a 10 to 20 per cent. rise in price in comparison to past years, a Chinese survey showed yesterday.

More than 1,300 cases of various brands were sold on Monday, demand being brisk. Shipments were arranged for June 18.

Marking a revival of the tea trade, 150 cases of Chekiang tea from Hua Pu in the Kai Hua district arrived on June 12, the Sheng Yuan Tea Hong reported.

Increased Gold Output

Paris, June 14.

Plans to increase the production of gold and cotton in the French colonies have been prepared by the Minister of Colonies.

The plan is embodied in a decree providing for the establishment of a Gold Bureau to take charge of the extension of modern methods of working the colonial gold-bearing strata.

The State has a large interest in the profits of gold production.—Reuter.

U.S. Trade with China, Japan

Washington, June 13.

United States trade with Japan and China for the first four months of 1938 showed a marked decline, although a notable increase was registered in war materials, the Department of Commerce announced today.

Exports to China totalled in value to U.S.$13,913,000 compared with U.S.$20,358,000 for the same period in 1937. The decline in exports to Japan was less marked, Japan imported U.S.$91,379,000 worth of American goods in 1938 compared with U.S.$104,261,000 in 1937.

China's Purchases

The biggest single items exported to China included leaf tobacco, motor trucks, aircraft and aviation parts. Leaf tobacco amounted to U.S.-$2,238,000, which was about unchanged compared to last year's figure. Motor trucks totalled U.S.$1,393,000 compared with U.S.$192,000, while aircraft and parts reached U.S.$1,625,000 compared with U.S.$1,594,000.

Raw cotton exported to Japan amounted to U.S.$22,779,000 compared with U.S.$40,223,000. Iron and steel scrap totalled U.S.$8,106,000 compared with U.S.$12,048,000.

Crude petroleum exports showed an increase, the 1938 figures reaching a total of U.S.$13,115,000 compared with U.S.$6,188,000. Exports of power driven metal working machinery also were higher, amounting to U.S.-$9,564,000 compared with U.S.-$3,213,000.

More Aircraft for Japan

Aircraft and parts showed gains, totalling U.S.$2,011,000 compared with U.S.$427,000, with increases shown in exports of petrol and fuel oil, steel ingots, pig iron and cattle hides.

Imports from China for the first four months of 1938 totalled U.S.-15,148,000 compared with U.S.$39,343,-000 last year.

The United States imported U.S.-$40,831,000 worth of Japanese goods compared with U.S.$71,164,000 for the first four months in 1937.—United Press.

U.S. National Income

Washington, June 17.

America's national income last year was $69,800,000,000, according to the Department of Commerce today. This figure was $6,400,000,000 over that for 1936 and $29,800,000,000 over 1932, but it was still $11,300,000,000 below that of 1929.—Reuter.

New Rubber Ruling

London, June 14.

The International Rubber Regulation Committee has authorized estates of all signatory countries, as from July 1, to keep stocks at the equivalent of a quarter of 1937 standard assessments, Reuter is reliably informed today.

This move merely anticipates the agreement coming into force next year, and it is understood that it is not connected with the question of a Buffer Pool as some market circles suggest.

The authorization aims at avoiding a sudden increase in estate stocks at the end of the year from the present premissible level, which amounts to only 7½ per cent. of standard assessments, while, at the same time, alleviating the labour situation.

The majority of rubber interests welcomed this action of the Committee, but prices were not affected in any way.—Reuter.

U.S.-Iranian Oil Co.

Teheran, June 15.

M. Bader, Iranian Finance Minister, today informed Parliament that the Americo-Iranian Oil Company had renounced the oil monopoly granted to them in 1936.—Reuter.

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Position of Rubber Today

Concluding Article Deals with Prospects of Consumption and Outlook for Shareholders

IN last week's article the rubber outlook was examined from the point of view of supplies. We must now consider the prospects on the consuming side; and in doing so we, perforce, leave the realm of exact knowledge for that of surmise. It is often said that America accounts for half the world's consumption of rubber and this is substantially borne out by the figures for the past few years. Ten years ago, however, she took nearly two-thirds so that her relative importance is tending to decline. The same point is brought out by a comparison of actual consumptions in 1927 and in 1937. In these ten years American demand increased from 373,000 tons to 543,000 tons, i.e. 170,000 tons or 46 per cent. while for all other countries together the increase is from 224,000 tons to 548,000 tons, that is, 324,000 tons or 144 per cent. Clearly, the use of rubber is expanding faster in other countries.

Another well-marked trend is for the proportion of rubber employed outside of tyre manufacture to enlarge as new uses are found for it. In the United States, rubber so absorbed has risen from 20 per cent. to 25 per cent. in the last five years. This decentralisation, so to speak, of consumption both geographically and industrially has been a continuing tendency since the early days when the demand was almost entirely dependent on the needs of the type manufacturers, and will strengthen and stabilize the structure of the industry. Together with the observed secular increase in consumption it is the best guarantee of the future of Rubber as a long-term investment.

Drop in U.S. Consumption

Coming more particularly to the present day, we find that the recent decline is most conspicuous in the United States whose share of the total consumption during each of the five last quarters has progressively decreased from 54 per cent. to 41 per cent. Comparing the first quarter of the present year with the corresponding period of 1937 we note a drop of 73,000 tons there and only 11,000 tons in all other countries. Great Britain has actually taken more this year and, surprising as it may seem, Germany, notwithstanding her efforts to achieve self-sufficiency and the widely-publicised production of Buna (synthetic rubber), has been obliged to buy more natural rubber than last year, in the face of a heavy import tax. War preparations are very possibly responsible for this, but it does suggest that the plantations have no reason to fear competition from the chemist for many years to come. Italy has also been a heavy buyer. On the other hand, the importation into countries actually engaged in war, Spain, China and Japan has been severely curtailed.

The violence and unprecedented character of the dislocation of business in the States may be illustrated by the fact that the records for the last decade show that in every year, not excluding the slump years, the first six months' consumption has been higher than in the last six months of the preceding year. This year will break the continuity as it will need a consumption of 119,000 tons in May/June to equal the last semi-annual period, an impossible achievement.

Since, therefore, almost the whole of the drop is due to America, the course of events there will determine the immediate future of the commodity. There is no really serious set-back elsewhere as yet.

Excessive Inventories

The recession in America has been largely attributed to excessive inventories built up at a time when prices were expected to go sky-high; and these redundant stocks have proved very difficult to liquidate. Nevertheless, stocks of tyres have been reduced by nearly 20 per cent. since the peak in the Spring last year. This has only been made possible by a drastic cut in production, which is now running at 60 per cent. of 1937 and lower than at any time in ten years. Similarly, the production of cars has been reduced to 60 per cent. of last year, less than at any time since 1934.

The equipment of new cars is more important to the industry nowadays than in the past; along with greater durability and reduced replacement demand, more and more rubber is going into the body of the car. The big manufacturers regulate their production to a large extent by their well-informed estimates of current requirements and the weekly cabled figures may usefully be watched for an indication of an impending change in the outlook. At present they offer no encouragement.

There is no reason to expect an early improvement in the United States. Conceivably, the Autumn may repeat the failure of the Spring to stage a revival, though the odds are against such a pessimistic view. The new spending programme is bound to begin to make its effect felt by then and the technical position should improve as stocks of raw and manufactured goods fall away. Every depression, in the capitalist system, bears within itself the seeds of utlimate recovery and all that governmental agencies can do is to hasten or retard it. It may be permissible to expect that the Administration will continue to find itself forced by the pressure of events to modify its injurious policies towards business.

Recovery Likely Slow

Nevertheless, it must be admitted that there is nothing in the visible facts to arouse optimism. Rapidly falling commodity price—indices, business activity still ebbing away and a stock market dangerously near the previous lows must give pause even to a hardened speculator. Only on the distant view can a good case be made out.

When recovery does come it would be unreasonable to expect a quick rise in the price of rubber for the consumer is in a very strong position to resist an advance. There are likely to be frequent reactions as surplus holdings come on the market and only when world stocks are once more at a lower than five months' ratio to consumption will rubber regain its high estate.

Prospects for Shares

For the time being, therefore, the outlook is not promising for the holder of rubber shares who must be prepared to see not only a cut in dividends but also the complete elimination of profits in companies with high production costs. All costs in any case will rise as production is further restricted. Labour cannot be turned off and on like a tap and overhead costs are more or less fixed. A smaller turn-over with rising costs is the near-term outlook. Fortunately, most Shanghai companies—not all—should be able to ride out the storm without actual loss at today's low prices, so investors need not feel unduly alarmed. Those who had the prudence to buy only low-cost producers are now getting their reward.

Even though good dividends are not in view, rubber shares are worth holding as the most dependable protection against the currency depreciation which is now in process here. While the effect of this depreciation on local industrial shares is open to debate, there can be no doubt that rubber shares, though expressed in Chinese currency, are an investment in an equity abroad and their real value cannot be affected by currency fluctuations. They are in the fortunate position of being able to sell their product in a sound and stable form of money and such dividends as may be earned will be distributed as a correspondingly larger sum of Chinese currency.

New U.S. Shipping Line for Orient

Seattle, June 14.

A committee of the Chamber of Commerce here announced today the formation of a company to protect and develop the American flag shipping service from Puget Sound to the Orient to replace the American Mail Line. The new firm was named the Pacific North-west - Oriental Line.—United Press.

Valuable New Zealand Orders for Britain

SPECIAL TO THE "N.C.D.N."

London, June 17.

Contracts valued at £154,000 have been placed with British firms for engineering material by New Zealand. The largest single order is for railway buffers, totalling £40,000, ordered from Lanarkshire.—Reuter.

Far East Sugar Market Dropped Heavily

London, June 15.

Referring to the International Sugar Agreement of 1937 in the House of Commons yesterday, Mr. Malcolm MacDonald, Secretary for the Colonies, stated that the calculation on which the agreement was based "anticipated a normal demand for sugar in the Far East of 560,000 tons a year."

As a result of the Sino-Japanese hostilities, Mr. MacDonald continued, it was doubtful whether the Far East was absorbing 300,000 thousand tons a year.

The cuts in the quotas, made as a result of a recent meeting of the International Sugar Council, were proving inadequate to meet the situation, Mr. MacDonald declared. Delegates were consulting their respective governments, and the Council was to meet again early in July.

Mr. MacDonald hoped the Council, by further voluntary reductions in supplies, would re-establish the equilibrium between supply and demand, so that prices for producers generally could rise to a reasonable and proper level.—Reuter.

Brazilian External Loan Default

London, June 16.

Sir Joseph Leech, Conservative member for the West division of Newcastle-upon-Tyne, asked the Chancellor of the Exchequer, Sir John Simon, in the House of Commons today, whether notwithstanding the resulting temporary loss to all concerned, he would impose prohibitive duties on importations of Brazilian products into the United Kingdom pending the cessation of the Brazilian default, which had extinguished £80,000,000 of British savings.

The question urged this action on the grounds that, as diplomatic protests were disregarded, unless the Government made it clear to foreign borrowers that ill treatment of British capital would be met by tariff reprisals, no British subject would invest in foreign countries in future and, as a result, international trade would contract and unemployment would increase.

Sir John Simon replied that the Government attached the greatest importance to the resumption of payments on the Brazilian external debt and were in close consultation with the council of foreign bondholders. He had, he said, considered Sir Joseph Leech's suggestion but did not think it would achieve the object the Honourable Member had in mind. —Wireless through Reuter.

Canada Has Deficit of $13,750,000,000

Ottawa, June 17.

A deficit of C.$13,750,000,000 during the last fiscal year was announced by Mr. Charles Dunning, Minister of Finance, in the House of Commons yesterday.

Mr. Dunning expressed himself as satisfied with Canada's close approach to the balance budget after eight years of large deficits.

He stated that powerful influences were favouring recovery, notably the improved prospect of a good wheat crop.

Agricultural conditions generally were also vigorous, Mr. Dunning declared, and there was a revival in construction and allied industries.—Reuter.

Wool Conference Opens

London, June 16.

The International Wool conference opened here today.

Mr. Oliver Stanley, President of the Board of Trade, stated that fear of the future rather than tariffs and customs barriers was the principal obstacle to an economic recovery.

"It is an obstacle you do not find in the Customs House but you find it in the hearts and houses of men," he said. "It is an obstacle of fear, an oppressive cloud of doubts and suspicions which drown men's initiative and saps their enthusiasm. I cannot think of greater assistance to the future of the wool and textile industry, or the future of any industry in any country than the removal of these fears and suspicions." ——Havas.

Copper Quotas Reduced

London, June 17.

The worldwide cartel today set copper production quotas at 95 per cent. of the basic rate effective July 1, compared with the present 105 per cent.—United Press.

£80,000,000 Defence Loan Subscribed

London, June 17.

The British Government's £80,000,000 sterling defence loan has been fully subscribed.

Dealings opened yesterday morning at a premium of around five shillings.

Applicants for amounts up to £5,000, it is understood, received a full allotment, and an allotment of approximately two-thirds was given to applicants for higher amounts.—Reuter.

£80,000,000 British Defence Loan Issued

London, June 14.

Particulars were announced here today of a new £80,000,000 sterling defence loan, bearing interest at three per cent., and redeemable from 1954 to 1958. This supplements the sum of £100,000,000 raised last year by National Defence Bonds, and last year's Budget Surplus of £29,000,000.

The total sum is expected to cover defence expenditure from borrowed money for about a year. Reuter learns the lists for the new defence loan are now open and will close on June 15. The loan will be issued at 98 per cent., and represents part of the borrowing programme announced last year. The total sum available for defence, including the new loan, will now be £209,000,000.—Reuter.

Japan's Asiatic Trade

Tokyo, June 14.

Japan's trade with Manchoukuo, the Kwantung Leased Territory and China during May showed a favourable balance in the value of Y.41,185,000, the Finance Ministry announced this afternoon.

Exports totalled in value to Y.98,920,000 and imports were valued at Y.57,735,000. Exports showed an increase of 20 per cent. and imports rose 26 per cent. compared with those for May of 1937.

The total favourable balance of trade for the period since January is Y.159,457,000, an increase of Y.33,474,000 over the corresponding months of last year.—Domei.

Aluminium in Germany

Berlin, June 19.

Technical research work with light metals has had an enormous influence on the extended use of aluminium in Germany. Copper, zinc, tin and similar metals are rapidly losing ground to this popular light alloy. Production has risen from 32,700 tons in 1929 to 120,000 tons in 1937 while there has been a tremendous drop in prices.

In 1850, one kilogramme of aluminium cost as much as 4,800 Marks, and in 1890 it was still as much as 25.1 Marks, while today the same quantity can be bought for 1.35 Marks.—Trans-Ocean.

1,500,000 Cars to be Produced Yearly

Berlin, June 19.

No fewer than 1,500,000 cars will be produced by the "Strength through Joy" organization's automobile factory at Fallersleben in the year of 1946 when the plant will reach its full production capacity, announced Dr. Robert Ley, leader of the German Labour Front, yesterday.

The first "People's Cars" will be marketed in the year 1940 but in the first few years the output capacity of the Fallersleben plant will be considerably below the maximum of 1,500,000 which will be attained only after the completion of the entire production plant which will be the largest automobile factory in Europe.

The revolutionary effect which the appearance of the popular-priced car produced by the Strength through Joy organization will have on the motorisation of Germany can be gauged when one considers that at present only 1,300,000 private motor-cars are registered in Germany.—Trans-Ocean.

British Move

SPECIAL TO THE "N.C.D.N."

London, June 19.

Government action against the importation of German motor cars is foreshadowed by notice of a motion which Sir John Simon, Chancellor of the Exchequer, will move in the House of Commons tomorrow, transferring the customs duties at present levied under the Finance Act on motor cars to the Import Duties Act.

This will enable the Imports Advisory Committee to review the situation and, if it thinks fit, to increase the duty.—Reuter.

Japan Trade Figures

Tokyo, June 20.

Japan's foreign trade for the second ten days of June showed an adverse balance of Y.11,680,000. Exports for the period totalled Y.65,002,000 and imports were valued at Y.76,682,000.—Domei.

The

North-China Daily News

on the Radio

News will be broadcast twice daily on Station XMHD at

12.40 noon and 9 p.m.

from the Offices of the "North-China Daily News."

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COMPANY MEETINGS

Shanghai Land Investment Co.

Method of Voting Changed to One Share, One Vote; Heavy Losses Due to Hostilities

Shanghai, June 15.

THE method of voting at meetings was unanimously altered to "one share, one vote" at a special meeting of shareholders of the Shanghai Land Investment Co., Ltd., 100 Jinkee Road, at 11 a.m. yesterday, immediately before the 49th ordinary general meeting of the company. At the special meeting, shareholders were asked to vote on a resolution "that the articles of association be altered in manner following:—The following article shall be substituted for article 88. '88.—On a show of hands every shareholder present in person shall have one vote, and upon a poll every shareholder present in person or by proxy shall have one vote for every share held by him."

Mr. H. E. Arnhold, chairman at special and annual meetings, was supported by Messrs. L. Ovadia, L. J. Davies, E. S. K. Ho Tung, H. Kadoorie, P. W. Massey and Yu Ya Ching, directors, while shares present and represented totalled 1,037,274. In presenting the special resolution, Mr. Arnhold said:—

The method of voting at meetings when a poll had been requested as laid down by Clause 88 of the Articles of Association is that every shareholder shall have one vote for every share held by him up to one hundred and an additional vote for every fifty shares beyond the first hundred shares up to 500, and an additional vote for every 100 shares beyond the first 500 Shares.

It is now proposed to alter this as detailed in the special resolution now before the meeting, which in plain language means one share, one vote.

Under the present clause the result was that in the event of a poll shareholders merely split their scrip into denominations of 100 shares in order to obtain the maximum number of votes. This would involve the company in considerable expense as there are now no less than 2,386,800 Shares.

The special resolution now before you puts the basis of voting at a poll on exactly the same footing that would obtain if every shareholder split his scrip into lots of 100, and the Board commend same for your acceptance. This is proposed by myself and seconded by Mr. L. J. Davies.

Put to the meeting, the resolution was carried unanimously.

The Annual Meeting

The annual meeting followed immediately. The chairman's speech read as follows:—

When addressing you in 1936 and 1937, I referred to the continued depressed state of the real estate market due to general business conditions in Shanghai and last year pointed out that the recurring periods of uneasiness in Hongkew were of very serious concern to the Company and that any improvement in that area would have a marked effect upon gross rentals. The early part of 1937 opened with the promise of better times and in April and May there was a considerable decrease in vacant premises, and rent collections up to the end of July 1937 were in excess of the corresponding period of the previous year.

With the above facts before your Board they were unanimously behind the proposal put before you on June 30 last when the Capital of the Company was increased and we had hoped that with the general improvement in rentals and with a reduction in interest charges that the accounts now before you would show a marked improvement on those of the past few years. It is, therefore, a keen disappointment to have to record a loss for the year of $308,601.74.

It became immediately obvious on the outbreak of hostilities in August that your company was faced with the possibility of very serious losses. The total structural loss due to the hostilities represented a book value of some $1,900,000 and while this is a very heavy loss to bear it is indeed fortunate that more of your buildings were not damaged, as our investments in the Hongkew and Yangtszepoo areas are very large. H. M. Consul-General has been notified of the above loss and a detailed claim is in the course of preparation. The exact amount of our claim, $1,924,430.11, is shown on the assets side of the balance sheet and the contra entry is included under the heading of sundry creditors and credit balances. We are continuing every effort to recover our losses under this heading.

Other Losses

The structural losses do not constitute our total losses due to the hostilities, as it has been necessary to write off outstanding rents due from tenants forced to evacuate their houses, a sum over $330,000. On rehabilitation of the areas north of the Soochow Creek a permanent loss of rental income, amounting to approximately $350,000 per annum, will continue until such time as we are able to replace the destroyed buildings.

I now turn to the Accounts. The profit on working account shows a decrease of $637,294.02, compared with 1936, though as you will have gathered from my previous remarks a comparison with 1936 can hardly be a fair one. All the decreases are accounted for by the troubles through which Shanghai has been passing. There are small increases in expenditure under the headings of Charges and Advertising and Foreign Salaries and Allowances. The increase in the former is accounted for by the additional expenses incurred in connection with our new issue of capital.

At the end of last year we decided to make certain reductions in our foreign staff and consequently it became necessary for us to meet certain contractual obligations, and this more than accounts for the increase in Foreign Salaries and Allowances. Loss of Gross rentals of $580,000 on vacated Chinese and foreign properties is directly attributable to the hostilities and this figure does not include the revenue which would normally have been derived from the Broadway Mansions Hotel. The hotel was forced to close down in August and was not reopened again until early this year.

Profit and Loss

Interest charges show a reduction of $220,519.73, due to the reduced debt to our bankers.

Overdue interest and expenses on mortgages are $262,018.16, as compared with $210,016.37, in 1936. Certain additional mortgagors defaulted during the year and in accordance with the practice adopted last year all interest due and expenses incurred have been written off.

After transferring the loss for the year of $308,601.74, to Profit and Loss Appropriation account there remains a balance of $354,234.44, which, as mentioned in the report of directors, we recommend be carried forward.

The increase in the Company's Capital authorized by you at the Extraordinary General Meeting held on June 30 last, resulting in the issue of 982,800 shares of $7 each at a premium of $2 per share gives a credit to Share Premium Account of $1,877,148, and a reduction of approximately $8,000,000, in our overdraft with the Hongkong & Shanghai Banking Corporation.

The balance at credit of Share Premium Account has been included under the heading of reserves and this, together with other reserves, have been utilized after writing off our losses due to the hostilities and a loss on demolished buildings by transferring $31,004.52 to Pensions, Passage and Exchange Reserve and the balance of $2,622,957.58 to revaluation of Assets Account.

All the Assets of your Company have been revalued; certain items formerly appearing in the Balance Sheet have been written off to Revaluation of Assets Account." The principal changes are in the values of land and buildings. The increase in land values amounts to $6,336,826.22, and now stand in our books at an average of no more than 56 per cent of assessed value and I trust that you will agree with me when I state that your Board consider this a very conservative valuation. Buildings have been written down by $8,095-392.40. As you are aware, in the past depreciation has only been provided out of Working Account for buildings of recent construction, as it was contended that the enhanced value of land has more than offset any depreciation of the older buildings.

Shareholders are no doubt aware that since the inception of the company in 1888 land values have not previously been written up. The very heavy losses sustained during the hostilities caused your Board to reconsider the policy of depreciation adopted by our predecessors and at the same time to effect a complete spring cleaning of the Balance Sheet and they now recommend you to accept the accounts before you. Depreciation on all buildings will in future be charged in the working account at a reasonable rate.

You will notice that the Auditor's certificate is contingent upon your approval of the utilization of the Reserves and the revaluation of the Assets, and I trust that our method of dealing with these matters in the accounts now before you, will receive your unanimous approval.

The Future

Before submitting the usual resolutions, I must say a few words as to the future of the company.

Loss of revenue due to the hostilities is continuing even though fighting in and around the International Settlement ceased in the middle of November. We are still unable to obtain free and uninterrupted access to some of our properties in the Japanese-controlled areas and while we hope that the Japanese authorities will see their way to open up the areas in the near future, we realize that some months will even then be required before conditions become normal once again. Our Chinese properties north of Soochow Creek normally yield some $400,000 annually in gross rentals, and the loss of this income will have a very serious adverse effect upon your company. Broadway Mansions Hotel maintained its popularity till August last year but I regret to say since reopening the guest list has been small.

Your Board have continued to follow a policy of strict economy so long as efficiency is unimpaired. The Architects' Department has been closed as we have little constructural work in hand, and it was felt that the services of local architects would be more economical should the necessity arise for carrying out such work. The salaries of the remaining staff have been further reduced where possible. The Directors much regret the necessity for this but felt that under the present circumstances there was no alternative.

Fees Waived

Your Directors waived their fees for the second half of the year and have decided to accept no more fees until such time as the reductions in staff salaries are reinstated. The Agents have offered to accept a 10 per cent cut in their fees. I would mention in this connection that out of their fees the Agents pay the salaries of the accountant and the staff of the Company's book office. The economies I have mentioned will all be reflected in the current year's accounts and I am sure shareholders will appreciate the spirit in which these sacrifices have been made.

Before closing I would like to pay tribute to the loyal services rendered by the staff during a most difficult year. The visiting of your properties when fighting was taking place in Hongkew and/or Yangtszepoo was fraught with considerable danger, but there were few days when those properties were not visited by some member of the staff. I hope it will not be too far distant when the accounts of the Company wil justify the Board in expressing their appreciation of the staffs' services, in a more tangible form.

The following resolutions were passed unanimously:—

That the Report and Accounts as presented, giving effect to the utilization of Reserves and the Revalution of Assets, be approved and adopted. Proposed by Mr. H. E. Arnhold; seconded by Mr. L. J. Davies.

That Mr. H. E. Arnhold, Mr. P. W. Massey and Mr. Yu Ya Ching, the retiring Directors, be re-elected Directors of the Company. Proposed by Mr. L. J. Davies; seconded by Mr. M. Reader Harris.

That the appointment of Sir Robert Ho-Tung, Mr. F. R. Davey, Mr. N. L. Sparke, Mr. E. S. K. Ho-Tung, Mr. J. H. Keswick and Mr. L. Ovadia as Directors of the Company be confirmed. Proposed by Mr. L. J. Davies; seconded by Mr. M. Reader Harris.

That Messrs. Lowe, Bingham & Matthews be re-elected auditors to the Company for 1938 at a remuneration of $5,000. Proposed by Mr. L. J. Davies; seconded by Mr. M. Reader Harris.

S'hai-Sumatra Estates

Shanghai, June 14.

An extraordinary general meeting of the Shanghai-Sumatra Rubber Estates Ltd. was held at the offices of the general agents, Messrs. George McBain, 1 the Bund, yesterday, when an offer from Bataafsche Petroleum Maatschappij to compound the present oil royalties was accepted. Mr. W. R. McBain presided and he was supported by Mr. A. J. Welch, and Mr. H. Kadoorie. The total shares represented totalled 39,172.

In his speech the chairman said:—This meeting of the shareholders has been convened to consider, and if approved, to accept an offer received from the Bataafsche Petroleum Maatschappij in connection with the oil royalties on your Tandjong Bringin concession. Before proposing the resolution, I will take the opportunity of giving you briefly a history of the negotiations connected with this area. In the year 1925 an agreement was concluded with the B.P.M. whereby the concession was transferred to them on the same terms as their agreement relative to the concessions held by the Langkat Company.

I wish here to draw your attention to the fact that the Tandjong Bringin concession has been examined by the geologists of the B.P.M. and a number of test borings have been made at various times, and from the results obtained they have reported unfavourably with regard to the prospects of finding petroleum.

In the negotiations between the B.P.M. and the Langkat Company, the B.P.M. have insisted that our Tandjong Bringin concession be included, therefore by arrangement with the board of the Langkat Company, subject to the shareholders of both companies passing a resolution giving their directors authority to accept the terms offered by the B.P.M., it has been so treated.

The directors of the two companies have now agreed to the following arrangement regarding the royalty:—On any royalty received for crude oil produced on the Langkat Company's areas, i.e., Boeloe Telang, Boekit Toewa, Lepan, Tandjong Slamat, covering an area of 37,205.85 acres, 10 per cent. will be paid to the Shanghai-Sumatra Co. On the other hand, the Shanghai-Sumatra Company will pay to the Langkat Company 10 per cent. of any royalty received in respect of crude oil produced on the Tandjong Bringin concession, covering an area of 18,308.95 acres.

The Resolution

The terms of the offer are clearly set out in the resolution which I will now put to the meeting:—

"That the offer received from Bataafsche Petroleum Maatschappij to compound the present oil royalties in consideration of a cash payment of Guilders 12,500 and a further payment of Guilders 12,500 (subject to the claims of Mr. Hatt's successors in title or assigns) and of a royalty of one guilder per ton of crude oil produced from the Tandjong Bringin concession provided the total production from the Boeloe Telang Boekit Toea Lepan and Tandjong Slamat as well as the Tandjong Bringin concessions exceeds 15,000 tons a year be accepted and that the directors be empowered to execute on behalf of the company an agreement to give effect to the offer and acceptance subject to such modification as they may deem advisable."

This was seconded by Mr. Welch, and carried unanimously.

A.A.U. Fed. Inc.

Shanghai, June 17.

The annual meeting of the shareholders of the American Asiatic Underwriters, Federal Inc. U.S.A., was held yesterday, at 4 p.m., at the company's offices at 17 The Bund, Shanghai. Mr. C. V. Starr, President of the company, was in the chair. Holders of 53,845 common shares were present or represented at the meeting.

The meeting approved the company's audited balance sheet and statement of profit and loss and directors' report for the calendar year 1937, and the directors elected for the ensuing year were Messrs. H. M. Blake, W. A. Hale, A. B. Park, R. E. Shean, C. V. Starr, W. T. Sullivan and A. M. J. Wolynsky.

The chairman's report follows:

As usual, the statement of operations has been segregated so as to show separately the results from Insurance Agency operations and from Investments. Had the war between China and Japan not broken out in August of last year, the profit from Insurance Agency operations would probably have set a record, as the income for the first half of the year was far in excess of any prior year. The effect of the war was doubly felt because growth of business during 1936 and the first half of 1937 brought with it an increase in expenses which could not be immediately adjusted when business fell off sharply toward the end of August.

Despite the hostilities, commissions and brokerage earned in 1937 were $657,727.01 as against $635,166.33 for 1936. General and underwriting expenses, however, increased from $418,843.05 to $476,240.67. After allowing for exchange and depreciation, profit from the insurance agency was $187,806.71 in 1937 as compared with $210,513.46 for the previous year.

Premiums Increased

Premiums for 1937 were 9 per cent. more than for 1936. Loss ratios for insurance companies represented were satisfactory as regards fire and accident insurance. Marine companies showed operating losses due principally to the effects of the Hongkong typhoon and the bombing of the British steamer Tatung at Wuhu. War risk losses have been reported totaling approximately $3,000,000, of which our companies' share was approximately $400,000, the balance being reinsured, principally with Lloyd's.

Considerable difficulty has been encountered in collecting premiums from up-country agents as well as a number of substantial accounts in Shanghai and Tientsin. This difficulty is entirely due to the effect of the war on agents and insureds, their funds having been tied up by various Chinese banking regulations and, in some cases, their properties destroyed. In general the attitude of the debtors has shown good faith, and some progress has already been made toward clearing up the accounts. Reasonable prudence requires, however, that the reserve against overdue accounts be substantially increased and that some accounts now obviously uncollectible should be written off.

No important changes occurred in representation during the year, but exchange restrictions in Manchoukuo became so severe that no funds could be withdrawn from there. This, together with deposit laws requiring investments in Manchoukuo securities, caused most of our companies early in 1938 to advise us that they would withdraw from the territory. Present indications are that all except Japanese companies will soon be excluded from the business of insurance in Manchukuo (there being no exchange restrictions for the Japanese).

Investment Account

There have been no changes in the company's investments. The Asia Life Insurance Co. did well in spite of the war, but paid no dividend during 1937. In fact, the total dividends from all investments during the year amounted to only $23,-120.58. Dividends declared in 1938 on 1937 operations have not been included in the accounts. Interest paid for carrying investment exceeded interest earned by $69,323.82, which with expenses made the net loss for investment account $125,-667.61.

The net profit from combined insurance agency and investment accounts was $85,259.68, practically all of which has been transferred to reserve for overdue accounts, which now stands at $225,000.

Values of listed investments have been adjusted to appraisals based on liquidating values or less, disregarding nominal market quotations of the Shanghai Stock Exchange. Unlisted shares, shown at cost or lower, remain on the books at figures substantially less than liquidating or earning values. Your directors have paid particular attention to this question of valuations because they have in mind the fact that dividends on preferred shares cannot be resumed until the present deficit is eliminated, even though the company's earnings from operations and the improving cash position might permit such payments.

Amendment to Charter

The amendment to our charter providing that tax-saving dividends should be paid to preferred shareholders rather than common shareholders, so long as preferred share dividends are in arrears, has not yet been granted by the China Trade Act authorities. The excuse given is that our company under the China Trade Act should not hold insurance company shares among its investments, and until this point (with which we disagree) is settled, no amendment to the charter can be made. The right to hold insurance company shares is now being litigated before the American Court for China, but it is difficult to see why so unrelated a factor should be made an excuse for withholding so equitable and necessary an amendment to the charter, and one which may become of practical importance during the current year.

Before closing I wish to pay tribute to the fine spirit of our staff and agency organization. In this connection I feel sure that shareholders will be glad to hear that none of the staff were dismissed nor any salaries reduced in spite of the year's difficulties, and that earnings for 1938 are sufficiently promising to warrant a continuance of this policy, which means so much during this crisis to those who have served us faithfully during many less tragic years.

East African Co.'s Report

Berlin, June 10.

The annual report for 1937 of the Deutsch-Ostafrikanische Gesellschaft, i.e. German East-Africa Company, just published shows that the sisal plantations yielded good results up to a period ending in March, 1938. the cargo of sisal hemp received during the business year aggregating 17,-900 tons of which 12,720 tons came from plantations under the control of the German East-Africa Company.

On its own capital of nominally 10,000,000 Reichsmarks, the company made a profit of over 500,000 Reichsmarks, enabling a dividend of 4 per cent. to be declared as in the previous year.—Trans-Ocean.

General Motors Dividend

New York, June 13.

General Motors today paid a dividend of 25 cents per share on common stock.—United Press.

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LETTERS TO THE EDITOR

The Japanese Venture:

More Criticism of Chinese

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—The letter appearing in your issue of today from JOE TOC TOQUE, dealing with the conduct of certain highly placed Chinese in the present disaster which has befallen this country, will, I am sure, find hearty endorsement from many of your readers. He has, I venture to suggest, given expression to sentiments which have long been held by unbiassed people who have followed with disgust the trend of politics in this unhappy and militarily ridden country for so long. While I hate the Japanese militarists, and strongly condemn many things they have done in this campaign, I agree with your correspondent that China today is reaping the harvest of the seed sown in days past, and especially under the present regime. Like JOE TOC TOQUE, I recall some of the events which took place on the advent from Canton of Chiang Kai-shek's army in 1927—the murders committed and the ravaging of missionary women by his army in Nanking; of the high-handed attitude of many of his colleagues in the so-called government of later days, including the Minister for Foreign Affairs, C. T. Wang, who in his arrogance denounced the foreign Powers and announced the intention of his government to abolish extra-territorial rights within a few months; and many high-handed actions of this group which soon became known as the Sung dynasty. Japan undoubtedly has been provoked in many ways, and if today China is suffering, her allegedly "Christian" leaders must find comfort in the thought that "whatsoever a nation sows, so shall it also reap."

In high places in this country—I am not sure the word "high" is correctly used in this connection—there has been far too much humbug and hypocrisy, and under the mask of Christianity and "New Life" movements foreign missionaries have been misled into believing that things were well, when common sense should have led them to see that such was not the case. When we hear of appeals broadcast abroad for help for "our dear soldiers at the front," and find that the billionaires have not stripped themselves of their wealth to help their distressed brothers and sisters; when we read of orders being issued to troops at the front "not to yield an inch of ground," and find leaders sheltering under the protection of extra-territorialities, who can wonder that thinking men should express disgust. And when, in face of this, we have a missionary bishop, who has now retired from his labours and gone to a better land describing a certain person as one of the great leaders of the world, and a Shanghai Oxford Grouper, writing in your columns, a few days ago, referring to his wife as one of the great women of the world, one is led to the belief that a certain type of sentimentalism has given place to reason in the minds of people who give little time to think or who are too obsessed with the idea of "bringing to the fold" converts, irrespective of the shrofing they will ultimately get when the deeds that have been done in the flesh and the fortunes that have been amassed at the expense of others are examined.

Yours for further criticism,

ANTI-HUMBUG.

Shanghai, June 14.

In Defence of the Chinese

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—It will not be without considerable disgust that many will have read the ignorant effusion from JOE TOC TOQUE which disgraced your correspondence columns of June 14. The utter disregard on his part for Chinese susceptibilities, particularly at a time when the nation is being bereaved of hundreds of thousands (and my statements are facts, not ignorant fancies) of its sons and daughters, bespeaks a stupidity, if not a callousness, that appals.

The illogicality of his confused thinking, which permeates every paragraph, is deserving of the dismissal of his letter with contempt. His attack is upon the National Government of this country; a Government which his own country has recognized for the past ten years and still recognizes; a Government in respect of whose administration all reputable foreign authority has paid a tribute that no Chinese Government has enjoyed since the decadence of the Manchu Dynasty set in. In that tribute have joined all foreign Chambers of Commerce in China, not excepting the Japanese, leading journals, and representative foreigners from all walks of life.

Space does not permit of the refutation of the many false suggestions carelessly splashed about by JOE TOC TOQUE. The treatment of a few will demonstrate the justice of my indignation. First, the Government is blamed for having built roads, because the Japanese military are using them! Then follows a totally unfounded suggestion regarding the misuse of airplane funds. Has he looked up the China Year Book?

There follows a contemptuous reference to Chinese unity and patriotism—at a time when all provinces are furnishing their men for the battle front! The "Reformed Government," which he offers as proof of the absence of national spirit, stinks in the nostrils of every decent Chinese, and I challenge his assertion that it is composed of "influential" Chinese.

In refutation of his charge that General Chiang caused the war, I would refer him to the self-conviction that has come from the mouths of Japanese Ambassadors Ariyoshi and Kawagoe, Messrs. Arita, Honda, Sato, Yuki, Yoshida, and others, who have clearly indicated Japanese civilian disapproval of Japanese military policy in China.

The letter which I protest is full of: "why this, and why that, and we would like to know." But JOE TOC TOQUE's ignorance of the answers is no proof that they do not exist. He appears to be of that inconsistent kind that, finding everything decadent in old China, pours scorn upon every honest endeavour of China's modern government to overcome the terrible deadweight of the past.

We have the old story resurrected about the 19th Route Army's designs on the Foreign Settlement. And he would connect their presence here with the abolition of extrality. If the writer was really anxious for the truth, it could be refuted once again (as it has been done several times in your columns), but it is obvious he is one of those whom the "N.C.D.N." once described as "inveterate disbelievers" in anything good about Chinese governing circles.

His gross discourtesy in referring to General Chiang is matched by his ignorance of Chinese psychology, of which he pretends to have knowledge. It is insufferable that he should indulge in cheap talk about "multi-billionaires" in connection with General Chiang.

Offer your proofs, JOE TOC TOQUE, or admit that your letter has been penned in ignorant ill-taste.

DISGUSTED.

Shanghai, June 16.

A Chinese View

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—In your correspondence column of today, I discovered an article written by JOE TOC TOQUE severely criticizing the Chinese Government. I do not say that our Government is good in every respect, but the few instances which JOE TOC TOQUE gave in his letter are far from truth. For instance, he said that the highways which our Government has built are only for the enjoyment of those wealthy classes possessing motor cars. As a matter of fact, the reality is far different from that. Perhaps he will be surprised to know that those troops who resisted the Japanese in Shanghai area last autumn rushed to the front mostly by motor roads. Had we not possessed those highways, which in fact facilitate greatly the transportation of troops, we should not have been able to hold our position as long as three months. So JOE TOC TOQUE will now see the use of highways which are described in his letter as nothing but a tool of enjoyment for the wealthy class.

Secondly, he said that the unity and patriotism of our people is not a true fact. He gave the success of Japanese Militarists in getting several "influential" Chinese to form the puppet government as an evidence. I was somewhat puzzled to see the word "influential," as, I do not know, in using it, what does the writer really mean. In fact, in the eyes of Chinese, those people who participate in the puppet government are no other than traitors. They are willing to be made use of by the Japanese only because they can receive a certain amount of money a month. They can hardly be expected to know what does patriotism mean. I dare say that except those few people, who know nothing but money, 99 per cent. of our people have patriotic zeal. You will see that although we have suffered so much as a result of the Japanese invasion, we will never ask our Government to put an end to the present hostilities. On the contrary, we support our Government to fight to the last all the same. We love our country above anything else. I will advise JOE TOC TOQUE that China of today is not the China ten or twenty years ago. So, he cannot judge the Chinese people of today as if they were many years ago.

While pointing out a lot of faults of our Government, as he called it, JOE TOC TOQUE expressed his admiration to the Japanese soldiers on their good behaviour. I wonder if he knows nothing of the recent massacres of civilians by Japanese airplanes at Canton. I do not know what is the nationality of JOE TOC TOQUE, but I think he has as well to take much care when he makes his expression.

T. LEE.

Shanghai, June 14.

A Strange People

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—If the Chinese build highways, they pave the way for the automobiles of the rich and the tanks of the invaders; if they build none, they are backward, unfit for the modern family of nations. If they build up a town, they are squandering money; if they don't build, they are hopelessly out-of-date. If they move troops towards dangerous zones, they are threatening foreign interests; if they don't, they are cowards. If they want to abolish foreign privileges (extorted at the point of the bayonet), they menace lawful interests; if they don't, they are supine and unpatriotic. If they defend their soil, they are bellicose; if they don't, they are traitors. If they want to get rid of foreign interference in their country, they are provocative; if they don't, they are wishy-washy, devoid of spirit. If they commit mistakes, they are stupid; if they don't, they are impossible. If they rally around their leader, they make a mistake (as they are stupid because they commit a mistake, they are stupid because they rally around their leader, Q.E.D.).

If they ask for assistance from England and France, they are running dogs of the capitalists. If they appeal to the U.S.S.R. they are fiendish Bolshevists, threatening to destroy this pleasant Fascio-Samurai-Nazi world. If they don't appeal, well, they are just silly children who know nothing about the realities of the international diplomatic game and therefore must be placed under tutelage.

Everything is fair in love and war: this being a war for the sake of love, everything a doubly fair. JOE TOC TOQUE cannot conceive of the idea "that the Japanese are so ruthless, to put it mildly, as to bomb places indiscriminately and to purposely massacre civilians unless they had a good reason for doing it." And what, may I ask, is a good reason for indiscriminate bombing and purposeful massacre of civilians?

Mystery of mysteries! What to me is most incomprehensible is—JOE TOC TOQUE.

AUSTRIAN.

Shanghai, June 16.

P.S.—I would like to learn a bit more about the influence of the "influential Chinese" which the Japanese got with "comparative ease." (JOE TOC TOQUE is not, by any chance, thinking of the trembling gentlemen hiding behind Japanese skirts—pardon me, sentries—in the New Asia Hotel?).

A Chinese Reply

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I am genuinely distressed by the letter of JOE TOC TOQUE and wonder that anybody professing to be a neutral third party can honestly think like he does. However I take comfort in noting that the views of the preponderant majority of the foreign community, including that of your excellent journal, are of an entirely different tenor.

The said correspondent has admitted that he found Chinese incomprehensible. This remark is a frank admission that he does not have quite a clear understanding of things Chinese and consequently I think his views are based on a misconception and would suggest that it be taken in that light.

Said correspondent blamed the Chinese Government for its disability to amass sufficient quantity of military paraphernalia to meet Japanese forces of arms on even terms and justifies the Japanese military for their invasion of China on account of their winning streak. In homely, language he believes in the idea that if the other fellow can lick you, he has a perfect legal right to do it and even to annex anything belonging to you that catches his fancy. Even the Japanese themselves do not openly subscribe to this dangerous conception which is contrary to the accepted doctrine on which our social structure is built upon, for as an eyewash the Japanese have resorted to the creation of puppet organizations in Changchun Peiping and Nanking, instead of outright annexation of seized territories.

The fact that some Chinese have joined these organizations does not mean that such institutions are popular or that there is no cohesion amongst the Chinese people. There is no nation or people that is without its due quota of renegades. Even some men of letters are not beyond writing to further an obviously unworthy cause out of monetary considerations. The Chinese traitors betrayed their country because it pays them to do so and not because they entertain any love for the several puppet régimes or for the Japanese manipulators behind such outfits.

As to his remarks against the new life movement and kindred efforts as Chinese hypocrisies, I presume he finds the Japanese profession that they are bombing and maiming Chinese civilians out of love as more sincere. I am sorry that such sincere friendship is not accorded to his country, where it would be appreciated, instead of being extended to my unappreciative country.

Is he sincere in the belief that the 19th Route Army was transferred to Shanghai area with the idea to seize the foreign-controlled areas or as a coercive in the abolition of extrality? If such was indeed the case then the several foreign commands have indeed been very ungallant as to leave the onerous task of the champion of foreign rights to the Japanese forces exclusively. If a routine transfer of Chinese garrison on Chinese soil constitutes a threat to the adjacent foreign-controlled area, how much greater threat to China is the frequent augmentation of Japanese forces in Hongkew and Kiangwan, not to mention of those in North China.

Are the Japanese such poor propagandists? Mr. K. Kawakami and his colleagues are on a parity with the best of their counterparts in any other country. The trouble is, they have always to fight a *prima facie* case. No matter how clever one may be, one cannot fool all of the people all of the time.

And our party believes in that antiquated slogan "All is fair in love and war." We know now how to catalogue him. This idea is no longer tolerated by the better class of people nowadays. The people of today entertain a high regard for ethical practice in their love affairs, in their business dealings as well as in their murders. There is a certain usage of fair play and justice which must be observed no matter how important the objective may be, whether it is a struggle over the destiny of an empire or over a realm of the heart. That objective must not be attained by dishonourable means.

I am afraid the gentleman has allowed his personal enmity against General Chiang to blind his sense of justice, and turn apologist for Japan. His letter amounts to an applause for Japanese aerial bombing of Canton and other atrocities. He is indeed a rare bird to be so devoid of compassion as to encourage the Japanese to continue and intensify their bombing and murder of innocent Chinese who have not even given him an ugly look. Lo, blood of Chinese noncombatants are on his hands.

C.L.H.

Shanghai, June 16

Points of View

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—In today's issue of the "N.C.D.N.," page 6, one heading attracts the attention of the reader: "France attacked by Japanese Press for aid to Chinese; Warning of consequences etc."

On page 5 another heading reads thus: "Japan buying more arms from United States. More aircraft and fuel, steel bought for warfare."

So what is right for one is wrong for the other.

MYO DESUNE

Shanghai, June 15.

An Explanation

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—The perusal of JOE TOC TOQUE's letter in the correspondence columns of your esteemed publication a few days ago produced a natural and comprehensible feeling of nausea in my mental as well as my organic structures. This feeling has since then subsided somewhat, under the gratifying influence of the subsequent storm of righteous indignation from a vast number of your correspondents.

Many of these wondered as to the why's and wherefore's of JOE's flabbergasting attitude, so now I say to them: "Wonder not."

JOE has given himself away: whether he knows it or not, "toc-toc" is a quaint little expression of French slang, the most adequate rendering of which into the Saxon tongue would be "balmy"—or if you would rather have the locally more popular U.S.A. version—"nuts."

And "nuts" JOE undoubtedly is. All the symptoms are present: complete absence of logical reasoning, erratic statements, erratic construction, paradoxically coupled with a smug, authoritative tone and beaming self-satisfaction.

I shall not attempt to discuss JOE's error of ways: others, more worthy and competent than myself, have already acquitted themselves of the task with a brilliancy I could never hope to attain. All I wish to do is suggest the explanation your many correspondents have asked for. And, having done so, I take the liberty of further suggesting that they refrain from judging JOE too severely: the poor little fellow belongs in the "nut-house," and must feel sorely bewildered and out of place in our evil world, with its strange conceptions of right and wrong.

With a word of thanks to the Editor for a portion of his valuable space, and a world of disdain to the smug little mud-slinger cowering behind his unusually adequate pseudonym.

JULIUS M. FELDMAN.

Shanghai, June 19.

Prepossessing:

A Reply to Hester

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Our apologies to HESTER for the mistake as to her pseudonym, but "a rose by any other name would..." wherefore, with contrite hearts, we proceed:

It's really most delightful to discover
such intelligence
And, were we "Advertisers" too,
we'd grant her just pre-eminence.
To think that while the rhymsters
all are racking their poetic brains,
Fair "Hester" writes and versifies so
well, not taking any pains!
But as she will not need a job and
we are trying hard to keep
The place we've pre-possessed and
outright won, though rivals fret or
weep,
We think—we almost wrote instead:
methinks—she should not now insist,
And if she does, though prepossessing
too, she'll never more be kissed.
Moreover, Sir, the world no longer
cares about the upper crust
For, with our falling silver here
most princes of finance are bust.
And men and women all professional
who cannot cash their fees
Are seeking frantically posts themselves right down upon their knees.
So, now that we have started, let us
take this opportunity
To say a word or two, or more, about
our blest community.
But, not to versifiers in Shanghai
we'll give a sporting chance
Wit HESTER or ourselves or other
scribes to break a gallant lance.
Yea, au revoir, and may we hear all
versifiers each in turn.
That good I.P. in isolation and with
envy soon may burn
And club-men have something to
meditate about and wisely learn
How best to tackle resolutions hard
and never to "adjourn."

JACK AND JILL.

Shanghai, June 14.

Those Proof-readers Again

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—JACK AND JILL's latest excellent effort has decided me to retire in shame from the verse-making pastime, added to which my last effort was so mauled in reproduction that I am reluctant to venture further into rhyme. The seventh line should have read:

"I am well in with the titled, and the taipans, and their satellites," but for some reason best known to the proof-reader who handled the copy, "and the taipans" was omitted; consequently scansion suffered.

HESTER.

Shanghai, June 15.

Question of Procedure

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—May I offer you a belated contribution i.e. a feeble attempt to show the dark side of the picture so that its brighter side may stand out in relief.

Lightning effects are not my *forte*, but I venture to hope that, even at a snail's pace, the coveted goal might be reached.

Every man has some incentive, when
he takes up "the defence."
But no Court its ear would lend him,
if there be "malice préponse"
Tell me, Sir, at what I'm driving,
what preamble is this now?
Have you so far understood me? No,
you have not, I avow.
But the truth is: I am striving your
attention to attract
With a prepossessing preface, ere I
come to points of fact.
"Tout Shanghai" is now discussing,
though in whispers I must say,
Just a question of procedure. 'Tis the
topic of the day.
Now, as far as I can think of, clubs
are ruled by members' views.
And however wrong the suffrage,
precedents cannot excuse
Measures any so coercive as to silence
a resolve.
And, without a vote in conclave,
meetings summoned to dissolve,
If a plebiscite's sought after, let it
go, cost what it may,
'Tis the democrats' own rafter, they
would then have had their "say."
Else no meetings should be summoned,
and the motion be suppressed!
Ruling thus, with reservation, members all would be impressed.
Verses have a social purpose which
most humbly I would fill.
There is one who still can help us
and to him we might appeal.
If by what's unprepossessing, prepossessing I define.
In this wayward definition is there
not a truthful line?

CLUBITE

Shanghai, June 18.

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LETTERS TO THE EDITOR (continued)

Canton Air-raids:

A Neutral Point of View

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I wonder what is all the excitement and world wide propaganda over the Canton bombings. In these troubled times nobody should loose his common sense and justice, which however seems lacking in many otherwise clear and cool headed people.

Most of them seem to forget that there is war with all its horrible consequences and that actually Canton is a fortified city, and besides the gate-way of the "life-line" of China, the Canton-Hankow Ry., by which China gets all her supplies of guns and munitions.

I actually wonder why up till now the Japanese did not take, or cut off, or destroy this most important railway terminus, as, without doubt, any Western power would have done long ago.

People living in fortified zones such as Canton are always in the greatest danger during a war. It is a pity for the poor Cantonese population that this has not been realized earlier, and the blame should partly go to the Chinese Government.

In this connection nobody should forget the far more merciless and more cruel methods set in force during the World War by Great Britain and her allies, the hunger-blockade of Germany, by which about two millions of innocent civilian people were slowly doomed to starvation. Mothers saw their children crying for milk and bread in this most horrible hunger blockade which history has ever seen, with the world standing by and doing nothing.

Further I beg to point out, that America could have stopped this war long ago. There has never been a more profitable business in scrap iron in U.S. than during the last year. Even the formerly so proud ss. Hoover has been sold to the Japanese for more bombs for the Chinese. Every bomb dropping by incident on poor innocent and peace-loving Chinese and occasionally on an American owned University or American Mission should bear a label "Made from American Scrap Iron" to arouse wide American protests against certain Americans, amassing fortunes in the scrap iron business, but otherwise caring for nothing as occasionally joining the crowd crying over Japanese criminal bombings.

Anybody in these very troublesome times should have common sense, for which Britons always were praised and justice and a little less of hypocrisy.

NEUTRAL.

Shanghai, June 13.

"An Act of Friendship"

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—With reference to Messrs. FUTAMI and UYEDA's protests and démarches, to use current phrases, with regard to the world-wide condemnation of the bombings of civilians and non-combatants over nearly the whole of China, it is with mingled sorrow and pity that I read the feeble excuses given and the tendency to blame it on the Foreign Powers, who, according to MR. UYEDA, supply arms and munitions to China in order that more Orientals may be killed, and to reap a harvest out of this terrible struggle.

The munitions are being supplied to China to help her defend herself and extricate her from the desperate position she finds herself in; just as Messrs. FUTAMI and UYEDA would willingly lend a hand if they saw a weak and sick boy being beaten by a bully, who doesn't give a tinker's darn how or where he hits ..... or would they?

War is war, but according to the above-mentioned gentlemen's own countrymen, this is not a war, but an act of friendship, therefore more shame and disgrace to the Power that ordered this indiscriminate and callous bombing of innocent women and children in the heart of a city, under the pretext of seeking the destruction of military objectives.

JOHN FOREIGNER.

Shanghai, June 14.

Ungrateful China

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—We are indebted to your correspondent S. UYEDA, for I am sure he has enlightened many of us.

Thinking of the air raids in Canton, resulting in such appalling loss of life, to say nothing of the wholesale murder of innocent civilians in China generally, why there were times, I must confess, when I actually laid the blame on the Japanese; but tut, tut, how stupid, don't you see, sir, Britain, America and France are the cause of all this.

Now we should know that the Japanese are burning with love for their Chinese "brothers" and have been demonstrating that brotherly love in such a novel way recently, and China, so ungrateful of her, she just won't love them. It would seem that the Chinese suspect that this "brotherly love" business is all "eye-wash" and that the Japanese have really ulterior motives. It is so sad, I could weep.

SAD AND STUPID.

Shanghai, June 14.

Nanking Outrages:

Who Was Responsible?

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I was surprised to note in ANTI-HUMBUG's letter of June 15 that some people blame General Chiang Kai-shek for the tragedies which occurred in Nanking in 1927. It is true that soldiers nominally under his command committed the outrages, but it is also well known that the so-called Nanking plot was planned and executed by radical elements in the Revolutionary Army who were trying to bring about the downfall of General Chiang because he was not radical enough to suit them. By attacking foreigners in Nanking, they hoped to discredit General Chiang with the foreign Powers and bring about his downfall. I know of no one who actually suffered on March 24, 1927, who blames General Chiang for the tragedy because the plot was directed primarily against him.

ONE WHO WAS IN NANKING
MARCH 24, 1927.

Shanghai, June 16.

Bridge Manners:

The Post-mortem Critic

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Now that the long summer evenings are here one has lots of opportunity to play a game of Bridge. It ought to be a restful and pleasant way of spending one's time, but very often, is just the reverse. I am considered, on the average, a good player, and am extremely fond of Bridge. No one, however, is infallible, not even the smartest exponents of the game. I make a mistake occasionally the same as anyone else does.

What I wish to write about today is the regrettable lack of good manners at the Bridge table. Why is it that so many people think they have a right to voice their opinions about a fellow player, quite regardless of the fact that the player did not ask for them? Is it because of the stake, do you think? Partner-losing-critic's-money sort of feeling? I know many people who constantly criticize, and they have a smug way of shielding themselves, by saying—"It's only friendly criticism." These people are quite wrong. They ruin the game for others. Criticism of one's partners play, unless it is asked for, is in extremely bad taste. If a fault has been committed, the one who is guilty of it is quite aware of the fact, and having it thrown in his face does not make matters any better. He is conscious also of having lost the other man's money for him, this adds to his discomfort. He apologises. "Friendly criticism" is now introduced. The unmistakable note of irritability in the voice of the self-appointed judge does nothing to ease the discomfiture of the miscreant. I have noticed that many of the players, who adopt this dictatorial attitude, are those who really, if they had any sense, would realize, that they would do better to keep quiet. Exasperation is more apparent in their voices, than the kindness they claim they feel. Does it not occur to these people, that every player has a right to his own views on the game, and a right to be allowed to enjoy it? One may, by making a mistake, loose the partner some money, but one loses one's own at the same time. Partners too often forget that point, their end is the only one of any importance.

I think that Mr. Culbertson, and the other leaders of the game of Bridge, might do well to inaugurate a system of courtesy (compulsory) to be observed by players. A pamphlet should be issued, entitled "Etiquette at the Bridge Table" (Does and Don'ts for those wishing to make a Bridge four). It is sadly needed. If people do not know instinctively, that it is bad form to make others uncomfortable, the little book would not only teach them manners, but would prevent their playing and spoiling a delightful game for lack of them.

MANNERS-MAKETH-THE-GAME ALSO.

Shanghai, June 15.

Hungjao Incidents:

A Foreigner Criticized

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—One living in the Hungjao area would naturally think that they were quite safe from trouble, seeing that the Japanese military have assumed charge and prevented the S.M.C. Police from exercising the duties they performed so efficiently prior to the occupation of that area by the Japanese, but instead of protection it appears to the writer that the Japanese military have set in motion in the Hungjao area a band of men who stop, search and remove (otherwise steal) from the person searched anything they find serviceable to themselves.

This is evidenced by an incident which occurred on Hungjao Road, about 30 yards west of Chun San Road, on Sunday morning at 7.45 a.m. when my house boy was stopped by five Japanese in military uniform (without arms) when he was returning from market with purchases for our household use.

Those five men (or highway robbers) relieved my boy of fifteen fresh eggs, and would have taken all the eggs he carried had he not Chin-chinned them to leave some for his master, which they kindly consented to do so as I could have breakfast.

On another occasion the milk delivery coolie was stopped, a quart bottle of milk taken away and the coolie beaten up for remonstrating.

Again a neighbour's boy was searched a few days ago and $3 taken from him in cash.

I write this with the hope that the Japanese who are responsible for the acts of their men may bring this before their military police with a view to stop these petty thefts which are degrading to any nation's military. I would also state that the officers in charge at Lincoln Avenue have always given the best of attention to all residents in the Hungjao area, doing all they could to make them as comfortable as possible and I am confident they will still continue this good work, on which they should be complimented. At the Hungjao Military Crossing I am sure no complaints will be made from either side if foreigners abide by the regulations and those soldiers who are apparently off duty are curbed in their behaviour.

Since completing the foregoing remarks, curfew passes for Hungjao area have been stopped by the Military, and on investigation I find this has been done through a foreigner making trouble over the time limit alloted to him, and thus got all residents in the area penalized through his behaviour.

This particular foreigner's behaviour is not called for with the Japanese officers in the Hungjao area, for, as stated above, they have always been courteous and willing to do their best for residents in Hungjao, and they would be quite justified permanently to stop a curfew pass to this particular person, by doing so the Japanese would be further assisting peaceable foreign residents in Hungjao and I am confident would have the thanks and support from those residents.

The foreigner who made himself objectionable to the Japanese officers would be well advised to apologize for his behaviour to the officers-in-charge, both for his own benefit as well as for those at present penalized, and I am sure his apology will be well received.

PENALIZED.

Shanghai, June 15.

Hungjao Conditions:

Those Cancelled Passes

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I was very interested to read the letter on Hungjao signed by PENALIZED, because, having just acquired a curfew pass after interminable applications, I was told, the first time I tried to use it, that it was "cancelled."

PENALISED emphasises two important points: firstly, Japanese soldiers are free to rob the servants of foreign residents, and, indirectly, the residents themselves; secondly, the same soldiers are authorized to stop the same residents from returning to their homes. It would be pointless for Japanese spokesmen to deny these robberies. All soldiers have a marked aptitude for supplementing their meagre store of worldly goods. Since it has become a fashion to compare the present actions of the Japanese with deplorable practices adopted during the Great War, experienced observers might safely say that the only difference between the "scrounging" of private soldiers in Europe twenty years ago and the robberies committed by Japanese military now, is that the latter are more bare-faced. It would be equally pointless to deny that foreign residents are denied access to their homes after ten o'clock. It is but one of the many stupidities of the present situation that the curfew hour at one end of Hungjao Road is 12.30 a.m., while at the other end it is 10 p.m. What is more, although Europeans and Americans immediately get inoculated, without being ordered to do so, at the slightest sign of cholera, they are now informed that they cannot enter the sparsely populated Hungjao district of Shanghai without showing a certificate. Again, Hungjao residents cannot move their possessions to and from their own houses, or receive coal supplies, without a permit which can only be obtained from a gentleman whose office hours (so he told me) are from 8 to 8.30 a.m. Faced by these absurd restrictions, the unknown foreigner referred to in PENALISED's letter might well be excused for losing his temper.

The time has long since arrived when people of this city should voice their indignation at unprovoked obstruction from the Japanese military. After all, we have been repeatedly told that the "China Incident" is being waged against Chiang Kai-shek's government, and neither against civilians, nor neutrals. We should, therefore, insist that the Japanese should not, under the plea of military necessity, continue interfering with our legal rights and personal liberties.

ALSO A SUFFERER.

Shanghai, June 16.

The Rickshaw Incident:

Pricked Conscience

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—*Facta non verba* has ever been a motto of mine. During the uneventful years of my life I have tried to follow its precepts and it tears my heart to think that the one time I miserably failed, it should be brought to the attention of thousands of your readers.

But, wait, maybe there were extenuating circumstances and, on thinking back, I think there were. My wife and I happened to be crossing the Bund just as the traffic light changed and in the consequent rush of vehicles my "poor rickshaw coolie" was lost, having gone on his sorrowful way. My intention had been to pay him.

So you see, ACTIONS SPEAK BETTER THAN WORDS, I fully concur with you. Admittedly, writing to the press does not help our friend at all, but there was the one chance in a million that the "gentleman" concerned might see the letter and, in doing so, have his conscience pricked and perhaps correct his future behaviour.

Your last phrase, "and besides gentlemen are born—not made", seems rather irrelevant. It is going a little too far to suggest that only a gentleman would have paid the coolie, although, of course, your definition of a gentleman may differ from mine.

DISGUSTED BRITON.

Shanghai, June 17.

South Africa:

Shanghailander's View

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Shortly before I left Shanghai in the spring, there appeared some correspondence in your columns on the subject of South Africa as a place for retired folk. My own impressions are that those who seek a warmer climate than that of the British Isles would revel in the sunshine of Natal and the Transvaal, comparable only with that of California.

Costs of living generally are slightly higher than those in England, yet clothing seems remarkably cheap, whilst the general standard of living is slightly higher than that in England, for most of the "coolie" work is done by natives.

I cannot praise too highly the work of the 1820 Memorial Settlers' Association, whose work is entirely voluntary, their aim being to attract and to help new settlers, mainly of British stock, to this rich and fast developing country. Their genial Secretary, Mr. J. P. Clark, met me at Durban, and made all landing arrangements for me, and I am deeply indebted to the Chairman, Mr. Walter Webber of Johannesburg, who has given me so much valuable help and advice on my arrival here.

There is not only scope for the retired man to settle in these glorious surroundings on a moderate pension, but there are definite openings for younger men with technical qualifications. The Association is in touch with all the big firms and employers of labour, and the demand for engineers, dock-workers, etc. due to the rapid expansion in dock-making, wharves, roads, etc., is in excess of the supply. No competent man seeking a change need hesitate to get in touch with Mr. Jarvis Palmer, Stanley House, Johannesburg, and the fullest advice and help will be given to anyone contemplating retiring here.

A. M. KIRK.

Johannesburg, May 28.

Baby Taxis Again:

Why Not for Shanghai?

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Anyone has the right to be afflicted with japanophobia, sinophobia or any kind of "phobia", but it is a pity when a disease affects a person to such an extent that he loses all sense of proportion and even that kind of sense called "horse sense."

Such is the case regarding an article which appeared recently in one of your contemporaries and concerning the new Japanese baby taxis which are now working North of the Creek.

Everybody in Shanghai knows that for several years a few progressive people have attempted to import some efficient meter-equipped midget taxis such as there are in every important centre in the Far East, except in our backward Shanghai.

Everybody knows that such a scheme was persistently opposed by the S.M.C. for reasons which are not those generally advanced.

The French Municipal Council, showing a certain amount of independence and sense of civic duty, authorized, last year, baby taxis within its jurisdiction. Unless it is contended that the members of the F.M.C. are more mentally deficient than their colleagues of the S.M.C., I should like to know what can be said about that? Probably that Rue du Consulat is a deserted alley way and that the South side of Avenue Edward VII is a forlorn desert, while the S.M.C.'s side is a terribly busy thoroughfare?

The reasons which were put forward against the proposed scheme were so perfectly absurd that they would have made even a Hongkew cat laugh his head off!

The decision was based, it is alleged, entirely on the fact that, under Shanghai conditions, such cars are not economically practicable.

> It is said that "Cruising cannot be permitted on Shanghai streets because of traffic congestion and it is only on a basis of cruising that the small taxi, with meter, can make a profit. If the cars are to be kept at stations and sent out on call, the only feasible system is to use reasonably large cars accommodating several people, and able to stand up under hard service. Likewise the 20-minute flat rate has proved itself best adapted to local conditions."

The answers are simple:

(1) The Council has no right to refuse a licence under the pretext that the applicant's business would not be successful. Supposing the Municipal authorities forbade you to publish the N.C.D.N. giving the same reason that it could not be a paying proposition? What would one say?

Such an argument was, and is enough to condemn and to show the absurdity of the objection.

(2) There are "baby taxis" in hundreds of cities, side by side with big taxis, and where street congestion is as bad, if not worse than in Shanghai. Manila or Tokyo, for instance.

(3) It is entirely wrong to state that "baby taxis" would have to cruise and could not be kept at stations. One should know that, in no country, are big or small taxis allowed in principle, to cruise. They have definite places alloted to them near theatres, wharves, etc., and such is the rule which the F.M.C. adopted when it decided to follow a more liberal policy than on the other side of Avenue Edward VII.

(4) Why should I have, as has been suggested, to use a "reasonably large car accommodating several people" if I am alone and if a small car is all I need. And why should I have to pay $1 plus tip, when in Manila or Tokyo, all I have to pay is 30 cents—or its equivalent—without tip?

And now, another argument: How many private "baby cars" are already running in the streets of Shanghai? A little more than 700?

Why should 700, or 1,000, or 2,000 baby cars (the number of these increases in every country on account of the high cost of gasoline) belonging to private owners, be permitted already in Shanghai, notwithstanding "local conditions", whereas a few hundred similar but public conveyances should be taboo?

Why should 22,000 filthy rickshaws, which constitute a perpetual menace to traffic and an obsolete if not disgraceful means of transportation, be allowed to wander at will in the most congested streets of Shanghai, and why should baby taxis, clean, swift and taking not much more room than one of those ignoble rickshaws, not be permitted?

R. D'A.

Shanghai, June 16.

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The Opium Menace:

Conditions in North China

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Your editorial of this morning—"Japan and Opium"—rightly supports the League of Nations in its attack upon this crying evil. I have just returned from an extensive journey through the occupied areas of North China. Everywhere the opium traffic is in full swing, wide open. Mongolian soldiers in Japanese uniform were obviously under the influence of the drug. A Japanese soldier distributed pills (of what nature I cannot say) from the car window all along the Suiyuan Railway. Within full view of the train as we approached Tsingtao many poppy fields were in bloom. It is here, along the railways, that the Japanese are in full control. There can be no escape from responsibility as there is no effort to escape from detection.

CARLETON LACY.

Shanghai, June 16.

Reply to Mr. Lacy

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—It is a great pity that people like MR. LACY write letters such as the one in your columns today. I hold no brief for the Japanese, but why make statements which MR. LACY must know are only part of the truth. The poppy has not suddenly appeared in Tsingtao since the Japanese secured control of the railway zone. There is no doubt that the Japanese are fostering the opium traffic, but they are merely carrying on the lucrative trade in which the National Government has been engaged for the last ten years. No secret was made of the fact that the late Nanking Government collected opium "taxes" estimated at nearly one hundred million dollars per annum, and it is impossible to estimate the money that has gone into the pockets of the racketeers who could not have operated without the tacit consent and co-operation of Nanking officials.

I have seen quite a lot of the organized opium traffic on the Yangtze, from Chungking downwards, but I feel sure that MR. LACY knows a good deal more about it than I do.

Tagging the Japanese with every known crime against the Chinese goes over very well with the idealists in Europe and in the United States Bible Belt, but to the intelligent observer in China it is just plain nonsense. In my opinion, the opium traffic ranks in infamy with white slaving, but before MR. LACY damns the Japanese and, by inference, white washes the Chinese Government, I suggest that he reads a little parable about the mote and the beam!

TRUTHFUL JAMES.

Shanghai, June 18.

The Opium Traffic:

Support for Mr. Lacy

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—For the life of me, I cannot figure out the motive of TRUTHFUL JAMES's letter rebuking Mr. Careleton Lacy since the complainant claims that he is not an apologist for Japan and at the same time admitting the truth of Mr. Lacy's charges. In the complainant's letter I found the following passage: "There is no doubt that the Japanese are fostering the opium traffic."

I submit that this is sufficient justification for Mr. Lacy to condemn Japan. If Japanese are fostering the opium traffic as it is generally believed then the Japanese cannot be excused just because of the allegation that Chinese Government had winked at opium traffic, before their arrival. If this allegation is true then the Chinese Government should be condemned also, but it by no means exonerates Japan for what she is doing now.

Mr. Lacy is, therefore, altogether in the right in condemning Japan although he may have erred for not denouncing the Chinese Government for permitting opium before the usurpation of the administrative power in North China by the Japanese, always provided the charges of TRUTHFUL JAMES are actually true. And TRUTHFUL himself must be blamed for not denouncing the Chinese Government at the time of the alleged deviation of the straight and narrow path and again for objecting to Mr. Lacy's denouncement of Japan. Having failed to do his own duty as a good citizen, he objects to others doing their duty.

No person, excepting those financially interested, condones opium traffic and everybody who is not in the trade should be glad to aid to ward the eradication of this sordid business. Please be real truthful, JAMIE, and enlighten the readers why you should object to Mr. Lacy's writing. Surely, if one criminal got away scot free, does not mean that all subsequent offenders must not be punished or even charged. After all a wrong is a wrong and is chargeable without regard to whether somebody else goes by.

I take it that TRUTHFUL JAMES does not approve of opium trading. If that is the case he should be glad that Mr. Lacy has written and wish that there were more people like that gentleman.

At this juncture, I would refer your correspondent to the underquoted passage from your leader entitled "An Ambassador Talks" (June 17).

"Dr. Wilson's general argument on the subject seems to have been that because other nations have done equally evil things there should be no condemnation of Japan. Such an argument comes perilously close to contending that two wrongs might make a right, or at least prevent any criticism because of the similar guilt of other people".

Charges have been made. By all means let it be well aired so that the better elements of Japan may be roused to prevent that continued improper usage of their national emblem.

C. L. H.

Shanghai, June 19.

BY SAPAJOU

Diplomatic Culinary

The Polish Foreign Minister is reported to be planning a new alignment in Eastern Europe.

Czechoslovakia:

Britain's Interest in Crisis

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I venture to believe that the enclosed letter written by Professor Gilbert Murray to "The Times" on the subject of Czechoslovakia and the Sudeten Germans will prove of interest to your readers.

SIR,—May I explain why very many Englishmen of moderate views attach extreme importance to the maintenance of the "independence and territorial integrity" of Czechoslovakia, and feel highly suspicious of the anti-Czech propaganda which has so suddenly developed in this country?

1. Up to a short time ago Czechoslovakia was acknowledged to be both the most successful and the best governed and conducted of the States created or emancipated by the Great War. Its record certainly compares favourably with that of Poland, Yugoslavia, or Rumania. During the four years in which I was intimately concerned in the protection of Minorities by the Council of the League I have no hesitation in saying that the Minorities in Czechoslovakia were the best treated in Europe, and that I never found Mr. Benes other than fair-minded and ready to help. The situation seems to have deteriorated of late years, owing partly to economic distress, intensified by the German exclusion of Czech goods, and partly to the fear inspired in the ordinary population by the aggressive policy of the Nazi Government.

2. A sharp distinction should be made between (a) the honest relief of the Sudeten-Deutsch grievances, advocated by Jakesch, the German Social-democrat leader, and (b) the Nazification of the Sudeten territory, largely by means of terrorism, which, whatever Henlein's own wishes may be, seems to be the object of the German Government. The first is both desirable in itself and compatible with the continued existence of Czechoslovakia, the second is neither.

3. Why does the independence of Czechoslovakia matter either to humanity or to Great Britain? To humanity, because if Czechoslovakia is Nazified then we shall be on the verge of a time when, in all Europe east of the Rhine, no Jew, no pacifist, no Socialist, no liberal-minded man, and we may without much exaggeration add, no Christian, will be able to live in peace and security. To Great Britain, because the collapse of the Czechs will hand over the Nazi Government the Skoda armament factories, the Rumanian oilfields and an army of 3,000,000 well-equipped soldiers. If that is our policy, it seems hardly worth our while to go on arming.

How best to defend this vital interest of Great Britain and humanity is of course a difficult question into which I will not presume to enter here, but do not let us pretend that there is no such interest at stake.

GILBERT MURRAY.

Yaiscombe, Boar's Hill,
Oxford, May 16.

CZECHOSLOVAK.

Shanghai, June 17.

Non-Intervention:

What Talleyrand Called It

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Bearing on today's editorial (regarding Czechoslovakia) and some of your recent pronouncements, the following extract from Chapter 6 of Genevieve Tabouis' book bearing the title "Blackmail or War" may be of interest.

Likewise, in view of the forthcoming meeting of the Spanish Non-Intervention (!) Committee further point is added to her analysis.

It should be pointed out that the authoress is Diplomatic Editor of "L'Œuvre." Paris, and her book was completed January last.

Sufficient emphasis cannot be placed on the last sentence of this extract:

On the 15th of August, 1936 Great Britain and France reached a final agreement to associate themselves with the cause of non-intervention. They decided to close their frontiers to all consignments of arms and munitions. As a result of their determined attitude, Germany and Italy agreed to identify themselves in principle with this policy of non-intervention. While this arrangement averted the immediate possibility of a general catastrophe, the drawback to it was that it looked like a victory for the Berlin-Rome axis resulting from the German and Italian policy of blackmail based upon a threat of general war. The League experts were quick to see the disastrous effect which this would have on international affairs. It meant that from then onwards the slightest threat of war would cause the nations concerned selfishly with their own security, to appeal to the doctrine of non-intervention as a means for evading or delaying the fulfilment of the obligations contained in the Covenant of the League. Henceforward, through fear of being regarded as a war-monger, everyone, though bound by commercial treaties, will refrain from furnishing arms to a country unjustly attacked. Once more force revealed itself as the supreme factor in the world. It is interesting to note that as early as the Congress at Vienna Talleyrand referred to non-intervention as "a diplomatic term of unknown meaning."

The effects of this new state of affairs soon made themselves felt. The war in Spain continued and still continues, the war in China broke out with unprecedented violence, and Japan, disguising her aggression as a mere domestic operation on the part of her police force, has informed Great Britain, France and U.S.A. that reprisals will be carried out against the goods and interests of these countries in the Far East if they render any assistance whatever to the Chinese Republic.

When the Nazis try, by means of an internal putsch, to annex Austria once and for all, that ill-fated country will find itself unable to purchase the arms to protect its independence.

Czechoslovakia would be in a similar plight. Such acts of aggression would be explained away as "measures coming within the scope of internal policy." This attitude may well recoil one day against Great Britain and France who, after all, during the Great War owed their salvation to supplies of American armaments.

JACK CADE.

Shanghai, June 14.

Bachelordom:

The Father's Reply

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—I have a friend who teaches in a certain primary school where pupils on an average are of 12 years old. He often set his pupils a certain amount of home-work. To his satisfaction, many papers were found good. Whenever I saw him, he would be proud enough to show me his pupils' papers. Once a pupil answered one of the questions, which reads "Who is the happiest in the world?", with the reply "A bachelor's life." It happened that my friend had got married and raised a family. However, he complained of his married life. Now that his pupil sympathized with him, so to speak, he gave his pupil high mark. But I am of the opinion that his pupil's father did the home-work for his son. How could a mere pupil know the blessedness of a bachelor's life? Did he get his idea from Charles Lamb's "A Bachelor's Complaint of the Behaviour of Married People?" No, it is out of the question for a Chinese pupil of 12 to read Lamb's essay (I read it when I was a student in St. John's Middle School). It must be his father who knew the blessedness of a bachelor's life. Yet my friend did not agree with me. So we disputed it. But who is in the right after all is left to the imagination of your readers.

KUO SHENG HUNG.

Shanghai, June 17.

A Diversion in Rhyme

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—Reference KUO SHENG HUNG's letter in today's issue, maybe the following will suit the occasion.

BACHELOR BLUES

Too long have I tarried, I want to get married,
To carry the burden that others have carried.
I want to be wooing and billing and cooing,
And doing the same things that others are doing,
And stay at home Sundays, have cold meat on Mondays,
And never to blush at the mention of "undies."
At last to be able to have my own table,
And view it with pride though its legs be unstable,
To poverty's danger, no longer a stranger,
To bark at a wife o'er the family manger.
To work in the garden my muscles to harden,
A bath every Sunday, oh, I beg pardon,
At catalogues looking and holidays booking!
And trying to stomach a novice's cooking,
And doing the carving and "exes" and halving,
And working all night to prevent them from starving.
And cleaning the flat out, and putting the mat out
And letting the dog in and putting the cat out,
And silently creeping 'cos baby is sleeping
Awakened at four by the fowls we are keeping.
And doing the shopping, acquaintances dropping
And passing the pubs without looking or stopping.
And checking the measure of milkmen for pleasure,
And cleaning the knives in my moments of leisure.
A pram to be wheeling and spuds to be peeling
And mending the boots with a "do-it-now" feeling.
And dreaming of motors and blazers and boaters,
While feeling the roes of depressed looking bloaters.
But sweeping the flues is the job I refuse
As I doze in the throes of Bachelor Blues.

NON BACH.

Shanghai, June 19.

Et in Arcadia Ego

To the Editor of the
"NORTH-CHINA DAILY NEWS"

SIR,—What a prolific subject to harp upon! We were snugly ensconced in our diggings, with our antiquated lyre, when your journal came this morning. Needless to say, after we had feasted our eyes on its coulmns, we were up in a trice and sought our obsolete strings. In the fulness of our bacherlorhood what could we utter but:

Ourselves why not interrogate
To hear the truth about
The much-maligned single state
Which men and women flout.
Our lives are undivided still
Though bachelors we be,
And single-hearted both at will
Rejoice in liberty.
We hold the world beneath our sway
By little are we bound,
With nothing they can take away,
We're obviously sound.
At us no boys will look or stare
No children fill our home
And wives of course can hardly care
If all the night we roam.
A single pillow do we share,
That's news you won't believe,
But there is always space to spare
That nobody may grieve.
And all around we freely strut,
Expand our arms and chests,
No doors with banging echoes shut
As we discard our vests.
Our garments everywhere we fling
Our slippers in the air
Each other's necks we never wring
Though nothing we may wear.
Not worth a bubble are our woes
We never dream of lies
Nor paint on either lips or toes!
Our diggings: paradise!
Nor Colonels nor Ambassadors
Our names will need to write
On lists of certain social bores
Whom they must oft invite.
We're welcome with our many parts
In every club select,
Acclaimed by all with open hearts,
Our names no spheres reject.
We look at maids with frigid eyes
And husband but our strength,
Thirst not for am'rous enterprise,
Whate'er its lure or length.
We need no solace at the bar
Though drinks be neat or iced,
We're celibates, indeed we are
And never shall be spliced!

JACK AND JILL.

Shanghai, June 20.

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SPORTS AND PASTIMES

Long Yacht Race Won by Rover

Shanghai, June 20.

Yachtsmen were not to be deterred by yesterday's threatening weather outlook early in the morning and six of the miscellaneous class completed the first leg of the Challenge Cup over a long course of some 30 miles length, starting from the headquarters at Yangtszepoo and sailing out to Quarantine Buoy, three miles outside Woosung to return in the afternoon.

Rover sailed by H. G. Fabian won the race—and the first leg on the Challenge Cup, finishing up second to Ingomar on both the outward and return journeys, and displacing the latter yacht of her pride of place by handicap allowances. Ingomar actually finished well ahead of her rival, but could not save her time allowance and dropped back to third place on corrected times. Spook sailed by W. J. Richmond took second place on corrected times and Ingomar was skippered by C. B. Blaikie.

Whereas the entry of six yachts was a fairly enthusiastic response to the "A" class race, only four of the 14 "C" class yachts turned out for their informal racing and this was confined to events during the morning wherein K. F. Piper on Sun Lee won one.

The Challenge Cup is sailed for in a series of three legs, a total of points gained in the three deciding the disposal of this—one of the oldest trophies in the Club. Yesterday's was the first leg, and the six yachts were sent off from Kwangshin Road Jetty with Ingomar and Viking going out ahead of their rivals, followed by Ella, Rover, Spook and Mignon in this order.

Corrected Times

The following were the total and corrected times:

	Total	Corrected
Rover (H. G. Fabian) ..	5.40.38	4.43.52
Spook (W. J. Richmond)	5.51.54	4.53.15
Ingomar (C. B. Blaikie)	5.16.00	4.54.56
Ella (Dr. J.H. Blakelock)	6.03.27	4.59.51
Mignon (J. Dolton)	6.03.30	5.08.59
Viking (H. W. Carter) ..	6.04.59	5.22.24

The following were the corrected results of the 1st and 2nd Ordinary races in "A" class sailed on June 5.

..1st Ordinary race:	Elapsed	Corrected
Rover (H. G. Fabian) ..	3.29.35	2.44.40
Ella (Dr. J.H. Blakelock)	3.35.15	2.57.25
Ingomar (C. B. Blaikie)	3.12.00	2.59.12
Viking (W. J. Richmond)	3.29.10	3.04.47
2nd Ordinary race:		
Rover (H. G. Fabian) ..	2.36.19	2.10.10
Ella (Dr. J.H. Blakelock)	2.39.49	2.12.44
Ingomar (C. B. Blaikie)	2.28.57	2.17.01
Viking (W. J. Richmond)	did not finish.	

Hongkew Golf Club

Shanghai, June 20.

Despite the existing conditions which caused some inconvenience in using the rinks in Hongkew Park, members of the Hongkew Golf Club are still active in the game and show the same keenness in regard to the various tournaments.

The Annual General Meeting was held yesterday morning at the residence of Mr. C. A. Pereira and, besides the past year's activities were reviewed, officers for the ensuing year were elected.

Mr. C. A. Pereira was re-elected as President while Messrs. C. M. Sequeira and A. M. Collaco were named as Honorary Secretary and Treasurer respectively. The two Committees were Messrs. C. A. de Silva and A. P. Roza.

Revenge Gained by "Bunny" Austin

London, June 18.

H. W. Austin, the British ace, avenged his previous defeat at the hands of Kho Sin-kie today when he scored a convincing victory over the Chinese champion in the final of the London championship.

The Briton, who was at his best, made short work of Kho, winning by 6/2, 6/0.

The Chinese was completely outclassed and never had a chance. Before the match, Kho was a 10-1 chance in the betting for the Wimbledon title.

In the previous meeting, in the final of the British Hard Court Championship, Kho beat Austin by 6/4, 6/4, 3/6, 6/3.

Women's Final

The women's title went to the Polish champion, Mlle. Jedzrejowska, who defeated Mrs. Sperling, of Denmark, the conqueror of Mrs. Helen Wills Moody, by 6/3, 6/0.

In the Men's doubles the British couple, G. P. Hughes and Wilde, took the measures of Gene Mako (America) and Kukuljevic (Yugoslavia) by 6/8, 6/0, 6/2.

Mrs. Miller and Miss Morphew, of South Africa, won the Women's Doubles, overcoming Mlle. Jedzrejowska and Miss Thomas by 4/6, 6/0, 6/0.—Reuter.

Alliss Wins Pro Golf Tourney

SPECIAL TO THE "N.C.D.N."

London, June 19.

Gaining a half in the last match while Reginald Whitcombe, the leader, was being beaten, Percy Alliss, who has represented Great Britain in Ryder Cup contests many times, won the professional league golf tournament at Sandy Lodge today.

Of the 11 matches which each competitor had to play, Alliss won seven and halved two, giving him a total of 16 points.

Bert Gadd and Reginald Whitcombe, who led alternately during the tournament, tied for second place with 15 points each, while Henry Cotton, the British Open champion, was joint third with Lacey and Burton with 12 points each.

The results of the 11th and last series were:

Cotton beat Reginald Whitcombe by 2 up;
Mitchell beat Charles Whitcombe by 4 and 2;
Lacey beat King by one up,
Burton and Gadd halved;
Alliss and Mahon halved;
Branch beat Padgham by 2 and 1.

The final standings of competitors are:

Final Standings

	P.	W.	L.	D.	Pts.
Alliss	11	7	2	2	16
R. A. Whitcombe	11	7	3	1	15
Gadd	11	5	1	5	15
Burton	11	5	4	2	12
Cotton	11	5	4	2	12
Lacey	11	5	4	2	12
King	11	5	5	1	11
Padgham	11	4	4	3	11
Branch	11	3	5	3	9
Charles Whitcombe ..	11	3	6	2	8
Mitchell	11	3	8	0	6
Mahon	11	1	7	3	9

—Reuter.

Miss Anderson Takes Scottish Golf Title

SPECIAL TO THE "N.C.D.N."

London, June 17.

Miss Jessie Anderson, 23-year-old Scots girl, won the Scottish women's golf championship today, defeating Mrs. Holm, the holder of the British championship, by two up.

Miss Anderson was the women amateur champion of Great Britain last year, but lost her title last month.

Four years ago Miss Anderson won the girls' championship, two years later she won the New Zealand title, and last year she held both the British and French titles.—Reuter.

Baseball in U.S.

Major League Standings

New York, June 19.

NATIONAL LEAGUE

	Won	Lost	Pct
New York	34	21	.618
Chicago	32	25	.561
Cincinnati	29	23	.558
Pittsburgh	29	23	.556
Boston	26	23	.531
St. Louis	24	29	.453
Brooklyn	23	32	.418
Philadelphia	14	35	.286

AMERICAN LEAGUE

	Won	Lost	Pct
Cleveland	33	20	.623
New York	30	21	.588
Boston	32	22	.563
Washington	30	29	.503
Detroit	28	28	.500
Philadelphia	24	29	.453
Chicago	19	31	.380
St. Louis	17	33	.340

—United Press.

Pacific Coast League Standings

San Francisco, June 19.

	Won	Lost	Pct.
Sacramento	49	31	.613
San Francisco	46	35	.568
Los Angeles	43	38	.538
San Diego	41	38	.519
Portland	39	41	.488
Seattle	39	42	.481
Hollywood	38	43	.469
Oakland	28	55	.337

—United Press.

Flares Wins Gold Cup At Ascot

London, June 16.

A neck and neck finish was witnessed in the Gold Cup at Ascot today, with Mr. William Woodward's Flares, ridden by Jones, flashing past the post only a neck in front of Lord Glanely's Buckleigh, which in turn beat Mr. W. Barnett's Senor by the same margin.

Flares started at 100-7; Buckleigh, ridden by Beary, at 100-8, and Senor, ridden by Crouch, at 8-1.

The seven other starters were Dadji (Elliott); Carioca (Butchers); Suzerain (Perryman); Fearless Fox (E. Smith); Boswell (Pat Beasley); Victrix II (Bridgland); and Toboggan II (Wrickaby).—Reuter.

Gold Vase Won By Fox Glove

SPECIAL TO THE "N.C.D.N."

London, June 14.

The Gold Vase, run at Ascot this afternoon over a distance of two miles, resulted as follows:

Fox Glove	1
Solonaise	2
Michoumy	3

Twenty-one ran. Won by one and a half lengths; a neck separated second from third.

The starting prices were: 4-1 Fox Glove, 20-1 Solonaise, 7-1 Michoumy.—Reuter.

Football Championship

Paris, June 15.

Brazil won a hard-fought football match from Czechoslovakia by a score of 2-1 yesterday in the world championship tournament at Bordeaux and thus qualified herself with Italy, Hungary and Sweden for the semi-finals.

Brazil will now meet Italy in Marseilles, and Hungary will play against Sweden in Paris. According to the previous showings of the teams, Italy, who now hold the championship, and Hungary are regarded as the probable finalists.—Trans-Ocean.

Italy to Meet Hungary

Paris, June 17.

Italy and Hungary emerged as the finalists in the world championship of the football tournament as the result of victories over Brazil and Sweden yesterday.

Italy defeated Brazil following a hard fought match at Marseilles by a score of 2-1, the teams being tied 0-0 at the end of the first half.

The Hungarians were definitely superior in gaining a 5-1 victory over Sweden in Paris.

Italy and Hungary will compete for the world championship next Sunday in Paris, while Brazil and Sweden will contend for the third place in Bordeaux on the same day. Sporting circles concede Italy slight odds.—Trans-Ocean.

Paris Tennis

Paris, June 11.

Without extending himself, Donald Budge, the American ace, won the French hard court tennis championship here today, defeating Roderick Menzel, the number one Czech, in straight sets by 6-3, 6-2, 6-4.

The women's crown went to the French veteran, Mme. Mathieu, who took the measure of Mme. Landry, also of France, by 6-0, 6-3.

As a result of his latest success, Budge is now the French, American, Wimbledon and Australian champion. The redhaired Californian hopes to achieve the distinction of winning all titles in one season.

Christian Boussus, the French ace, and Miss Wynne, the Australian champion, advanced into the final of the Mixed Doubles at the expense of Lasueur and Mlle Henrotin, whom they defeated by 6-3, 6-2.—Reuter.

Budge, Mako Lose

Paris, June 13.

In the final of the Men's Doubles Championship played here yesterday, Yvon Petra and Bernard Destremau defeated Donald Budge and Gene Mako to win the championship by 3-6, 6-3, 9-7, and 6-1

Budge was not up to his usual brilliant form, playing an erratic game.

The French pair slammed volleys over the net which proved irresistible to the American pair.

In the final of the Women's Doubles, Miss Adeline Yorke and Mme. Rene Mathieu defeated Mlle. Halff and Mme. Landry 6-3, 6-3.

Mme. Rene Mathieu and her partner Mitio defeated Miss Nancy Wynne and Christian Boussus by 2-6, 6-3 and 6-4 to win the Mixed Doubles Championship here yesterday.—Reuter.

World Tandem Record

Paris, June 18.

Maurice Richard and Louis Chaillot made a world tandem flying start record today of one kilometre in 5-6/10 seconds.—Reuter.

Great Cricketer Retires

London, June 14.

C. F. Walters, the former England and Worcestershire cricket captain, has finished his first-class career. He has recently joined the board of a firm at Droitwich and finds it impossible to combine business with cricket.—Reuter.

Tourist Trophy Races

SPECIAL TO THE "N.C.D.N."

Isle of Man, June 13.

Driving a Velocette, Stanley Woods won the Junior Tourist Trophy Race here today after leading all the way.

He covered the seven laps, measuring 264 miles, in three hours eight minutes, 30 seconds, giving him an average speed of 84.08 miles an hour.

The winner broke the lap record with a speed of 85.30 miles an hour on the third lap, the previous best being 85.20 miles an hour.

Woods was followed home by E. A. Mellors, also in a Velocette, whose average speed was 82.40 miles an hour and time 3 hours 12 mins. 20 seconds, while F. L. Frith, in a Norton, was third in 3 hours 12 mins. 27 seconds, his speed being 82.35 miles an hour.

The race was marred by an accident to J. Moore, 35-year-old driver who was making his debut in the race on a Norton. He crashed in the third lap and was killed instantly.

The weather was fine for the competition, although there was some mist on top of Snaefell.—Reuter.

German Wins

SPECIAL TO THE "N.C.D.N."

Isle Of Man, June 16.

After leading throughout the 264-mile course the German racing motorist, Kluge, won the Lightweight Tourist Trophy here today on a D.K.W. from a field of 30 competitors.

His time was 3 hours 21 minutes 56 seconds, and his average speed was 78.48 miles an hour.

Kluge averaged 80.35 miles an hour in the second lap, which is the fastest speed ever achieved in a lightweight event.

At the end of the race a Nazi flag and laurel wreath were hung over Kluge's number on the score-board.

Ginger Wood, riding an Excelsior Manxman, was second, his time being 3 hours 33 mins 5 seconds and his speed 74.38 miles an hour, while Tyrell-Smith, also on an Excelsior Manxman, was third in 3 hours 35 mins. 16 seconds, his speed being 73.62 miles an hour.

Poor visibility on the mountain road delayed the start for two hours.—Reuter.

Speed Record

SPECIAL TO THE "N.C.D.N."

Isle of Man, June 17.

In a thrilling race Daniell, on a Norton, won the Senior Tourist Trophy here today, covering the distance of 264 miles in the record time of 2 hours 57 mins. and 50⅘ seconds.

His average speed was 89.11 miles an hour.

Stanley Woods, winner of the Junior Tourist Trophy, finished second in a Velocette in 2 hours 58 mins. 5⅘ seconds, averaging 88.98 miles an hour, while Frith, in a Norton, was third in 2 hours 58 mins. 7⅘ seconds, his average speed being 88.98 miles an hour.

Frith and Woods led alternately for half the way until Daniell overtook them. The winner did the last lap at a speed of 91 miles an hour.—Reuter.

Race Club Taking Over I.R.C.

Shanghai, June 15.

The Shanghai Race Club is taking over the International Recreation Club premises and course at Kiangwan, as a result of a decision made at a meeting held on June 13. Negotiations for the sale of the property are in progress, according to a statement made by Mr. C. H. Arnhold, the Chairman of the Shanghai Race Club, yesterday, but they have not been concluded. If the course is sold, it will continue to be used as a race course, and suggestions that it will be turned into an aerodrome are unfounded, said Mr. Arnhold.

Girl Runs 100 Yds. In 10.4 Secs.

Cleveland, Ohio, June 18.

Miss Stella Walsh, the Polish flash, ran the 100 yards here today in 10.4 seconds, breaking the world record of 10.5 seconds set up by Miss Helen Stephens, of America. Recognition of the new record, however, is doubtful, as Miss Walsh had the advantage of a slight breeze.—Reuter.

Home Cricket

London, June 13.

At Leeds—Yorkshire beat Middlesex by seven wickets. Middlesex 105 (Leyland four for 15) and 149 (Bowes four for 35). Yorkshire 173 (Robins four for 24) and 84 for three.

At Taunton—Somerset beat Notts by ten wickets. Notts 171 (Andrews six for 51) and 178 (Andrews four for 36). Somerset 238 and 52 without loss.

At Tonbridge—Derby beat Kent by an innings and 86 runs. Derby 457 (Smith 122). Kent 167 (Alfred Pope five for 68) and, following on, 184 (George Pope seven for 57).—Reuter.

London, June 14.

At Manchester—Lancashire beat Glamorgan by nine wickets. Lancashire 564 for nine declared (Washbrook 124, Hopwood 127, Oldfield 122) and 25 for one. Glamorgan 163 and 425 (Emry Davies 100, Brierley 116).

At Cambridge—Free Foresters drew with Cambridge University. Free Foresters 636 for seven declared (Killick 124, Valentine 111) and 223 for six. Cambridge 533 (Gibb 204, Thompson 191).

At the Oval—Surrey beat Essex by 186 runs. Surrey 270 and 291 for four declared. Essex 124 (Watts five for 40) and 251.

At Leicester—Leicester beat Gloucester by five wickets. Gloucester 237 (Crapp 90 not out) and 441 for nine declared (Crapp 137). Leicester 413 (Geary 105) and 266 for five (Dempster 105).

At Horsham—Hampshire beat Sussex by one wicket. Sussex 227 (Herman five for 74) and 165 (Herman four for 58, Health five for 50). Hampshire 209 (Wood seven for 52) and 184 for nine (Smith five for 25).

At Kettering—Worcester beat Northants by ten wickets. Worcester 383 (Gibbons 102 not out) and seven without loss. Northants 164 (Perks five for 45) and 225 (Brookes 113).—Reuter.

London, June 17.

At Lord's—Australians beat the Gentlemen of England by 282 runs.
Australians 397 (Bradman 104) and 335 for four declared (Fingleton 121, Badcock 100).
Gentlemen of England 301 and 149.

At Cardiff—Yorkshire beat Glamorgan by 130 runs.
Yorkshire 343 (Leyland 127, Smailes 117, Wooller five for 90) and 221 for four declared.
Glamorgan 250 (Robinson five for 65) and 184 (Verity seven for 63).

At Bristol—Middlesex beat Gloucester by an innings and 42.
Gloucester 209 and 322 (Allen 104, Neale 94).
Middlesex 573 (Edrich 118, Hulme 143, Sinfield six for 184).

At Portsmouth—Hampshire beat Derby by 27 runs.
Hampshire 313 and 263.
Derby 356 (Worthington 121) and 183.

At Tonbridge—Kent beat Worcester by seven wickets.
Kent 428 (Woolley 136, Fagg 190) and 172 for three (Ames 94).
Worcester 220 and 379 (King 104, Harding five for 99).

At Chelmsford—Somerset beat Essex by 45 runs.
Somerset 290 and 222 (F. Lee 103).
Essex 368 (Wellard six for 124) and 159 (Wellard five for 70, Andrews four for 60).

At Oxford—Lancashire beat Oxford by seven wickets.
Oxford 368 (Eggar 125) and 174 (Wilkinson five for 57).
Lancashire 358 (Oldfield 137, Young six for 58) and 185 for three.

At the Oval—Surrey beat Cambridge by an innings and 29.
Surrey 512 for eight declared (Whitfield 198, Berry 104 not out).
Cambridge 212 and 271.

At Hove—Notts beat Sussex by four wickets.
Sussex 296 (Holmes 133 not out) and 183 (Butler five for 64).
Notts 155 and 326 for six.

Latest Standings

	P.	W.	L.	D.	Win 1st innings. but lose L.	Win lose W.	Unfinished matches Draw D.	P.	Pct.
Pts. awarded	12	0	6	4	4	0	2		
Lancashire	10	8	2	0	–	–	–	–	96 9.60
Middlesex	9	7	2	0	–	–	–	–	84 9.33
Yorkshire	9	6	0	0	–	2	1	–	80 8.89
Surrey	8	5	2	0	4	–	1	–	64 8.00
Leicester	5	3	0	0	–	1	1	–	40 8.00
Derbyshire	10	5	5	0	8	–	–	–	68 6.80
Somerset	10	5	3	0	–	2	–	–	66 6.60
Worcester	11	4	4	0	4	1	2	–	56 5.09
Hampshire	11	4	5	0	4	–	2	–	52 4.73
Notts	7	2	4	0	4	1	–	–	32 4.56
Warshire	8	3	3	0	–	–	2	–	36 4.50
Kent	8	2	4	0	4	1	–	–	32 4.00
Sussex	10	2	5	0	8	1	2	–	36 3.60
Gloucester	9	2	5	0	–	2	–	–	32 3.56
Glamorgan	6	1	2	0	–	2	1	–	20 3.33
Essex	8	0	7	0	8	–	–	–	8 1.14
Northants	6	0	6	0	–	–	–	–	0 0.00

—Reuter.

Ralph Guldahl Takes Western Open

St. Louis, June 16.

Ralph Guldahl negotiated the difficult holes of the Westwood Country Club course at six under par today to win the Western Open Championship for the third consecutive time.

Guldahl's score for the last eighteen holes was 65 bringing his three-day total tally to 279. His three-in-a-row record was unique in annals of the Western Open.—United Press.

Hurdle Record Broken

Minneapolis, Minn., June 17.

Fred Wolcott of Rice set a new meet record and tied the American record in the 120 yard high hurdles as the N.C.A.A. track and field championships began here today. Wolcott stepped the hurdles in 14 seconds flat to win the third preliminary heat by almost seven yards.—United Press.

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Peace Memorial Scholarships

(Amended Conditions.)

The Trustees of the Peace Memorial Scholarships Fund offer one scholarship of a triennial value of £1,350, subject to the conditions of the Trust and with the object, as stated by the donor, of encouraging British boys to turn to the laboratory, the workshop or the land, in preference to the routine of the counting-house and the office. The award will be made by the Trustees on the recommendation of the Examination Syndicate of Cambridge University on the result of the School Certificate Examination to be held in December 1939.

This Scholarship, in accordance with the conditions of the Trust as prescribed by the donor, is open to British Boys of pure white descent who have been resident in China or Hongkong for a period of not less than three years immediately preceding the examination and whose parents (or one of them) have resided in China or Hongkong for a period of at least three years.

The prizeman will be required to select from the following courses of study:—

(1) Electrical Engineering
(2) Synthetic Chemistry
(3) Practical Farming
(4) Horticulture

The revised subjects prescribed for the examination are:—

Group I—Subject 1 English

Together with EITHER of the following:—

Subject 3 History
" 4 Geography

Group II—Any TWO of the following languages:—

Subject 5 Latin
" 6 Greek
" 7 French
" 8 German
" 9 Spanish
" 10 Italian
" 11 Chinese

Group III—

Subject 12 Elementary Mathematics

Together with TWO of the following:—

Subject 13 Additional Mathematics
" 14 Chemistry
" 15 Physics
" 17 Botany

Candidates for this Scholarship are required to fill in a special application form and declaration in addition to the usual examination entry form. Candidates must make their own arrangements for entering for the School Certificate Examination. The special application form and declaration and any further information with reference to these scholarships may be obtained from the Superintendent of Education, Shanghai Municipal Council.

The following regulations governing the Peace Memorial Scholarships have been approved by the Trustees and are published for general information:—

1.—All candidates for scholarships shall be required before November 1 in the year of such examination as they propose to attend to fill in a special application form and declaration which may be obtained from the Superintendent of Education, Shanghai Municipal Council.

2.—The test examination for these scholarships shall be the School Certificate Examination of the University of Cambridge, though the prescribed subjects only will be taken into consideration in selecting the prizeman from those who have passed the examination. In deciding between the equal claims of eligible candidates who have passed the examination the Trustees may take into consideration special circumstances such as a candidate's proved knowledge of or interest in a subject which he desires to study or any special proved qualifications and also character or physique.

3.—If at any examination no candidate qualifies for the School Certificate no scholarship shall be awarded. Should no award be made then the scholarship remaining open shall be competed for at the next or any succeeding examination until all such postponed scholarships shall have been awarded.

4.—During every period of three years two scholarships shall be awarded.

5.—For the next ensuing examination to be held in December 1939 no candidate shall be eligible for the scholarship if he has attained the age of 20 on the first of July in the year in which the examination is held. Thereafter no candidate shall be eligible for the scholarship if he has attained the age of 19 on the first of July in the year in which the examination is held. The Trustees reserve the right to cancel the award of a scholarship in any case in which they are satisfied that a misapprehension has existed or a misrepresentation has been made regarding the candidate's eligibility respecting his various qualifications contained in these regulations.

6.—As it is impossible to foresee the future development of science, no restraint is placed on prizemen as to the countries in which they may desire to prosecute their studies but at least one year must be devoted to practical work in the laboratory, the workshop, or the field.

7.—The names of the Universities, Colleges, or other places at which a scholar proposes to prosecute or may from time to time propose to prosecute his studies shall be submitted to the Trustees for approvnl and arrangements shall be made as far as possible for reports to be provided to the Trustees by the Colleges or other places from time to time where scholars are in attendance.

8.—The scholarships have a total triennial value of not more than £1,350 out of which shall be paid (*a*) a first class passage from China to the country in which the prizeman elects to commence his studies; (*b*) the sum of not more than £350 per annum in quarterly instalments from the date of landing in such country; (*c*) any balance on the completion of the three years (subject to progress satisfactory to the Trustees being shown) to the prizeman.

9.—Should a scholar be apathetic in his studies or guilty of serious misconduct the Trustees may at their discretion reduce his prize money or may withhold all future payments in respect of such scholarship.

C. S. FRANKLIN,
T. W. GUBB,
Trustees, Peace Memorial Scholarship Fund.

Administration Building,
Shanghai, June 16, 1938.

Advocate's Report for May

The Acting Municipal Advocate states in his report that 8,403 cases were prosecuted in the Shanghai First Special Area District Court and the Kiangsu High Court, Second Branch, during May, as compared with 7,435 cases in April. Out of the total number of cases prosecuted, 7,205 were Administrative Cases, and 1,198 were Criminal Cases. Out of the total number of Administrative Cases brought to trial, 4,749 persons failed to appear and their bail was confiscated, and 14 cases were withdrawn as compared with 4,390 cases in which bail was confiscated and eight cases withdrawn in April. 2,445 Administrative Cases were prosecuted to completion, out of which number 2,445 persons were convicted. 40 Criminal Cases were withdrawn, and 1,158 were prosecuted to completion, out of which number 1,023 persons were convicted, and 135 acquitted. The total number of Administrative and Criminal Cases prosecuted to completion was 3,603 as compared with 2,919 cases in April. 3,468 persons were convicted, and 135 persons acquitted, as compared with 2,791 persons convicted and 128 acquitted in April.

In addition to the above, there were 84 private criminal prosecutions, as compared with 69 in April.

Percentage of Convictions.—88.3 per cent. of the persons charged in Criminal Cases, and 100 per cent. of the persons charged in Administrative Cases were convicted, making a total percentage of conviction for the month 94.1 per cent. as compared with 95 per cent. for the month of April.

Appeals (*a*) By the Council.—Two appeals were made to the High Court and three appeals were concluded during the month of May. The total number of appeals by the Council pending on May 31 was as follows:—In the High Court, 7.

(*b*) **By the Defendants.**—86 appeals were perfected during the month, nine to the Supreme Court and 77 to the High Court. 143 appeals by the defendants were concluded and dealt with as follows:—

Accused found Not Guilty	5
Appeals dismissed	119
Appeals withdrawn	2
Case not entertained	1
Case sent back for retrial	1
Sentences increased	4
Sentences reduced	11

There were 260 appeals filed by the defendants pending on May 31 as follows:—In the Supreme Court, 97; in the High Court, 163.

Extradition.—No applications for handing over were made by the Extra-Settlement authorities during the month.

Cases Pending. — On May 31, there were pending in the High Court and District Court 60 cases, which, together with 267 cases on appeal, make a total of 327 cases. In addition to the above, there were 11 cases in which the accused were held on writs of detention.

Notification No. 4952

Tenders are invited for the purchase or lease of an area of 31.250 Mow or thereabouts known as Cadastral Lot 2520, Eastern District, and being a portion of Japanese Consular Lot No. 237 registered in the name of the Shanghai Municipal Council.

Any such offers to purchase or lease which may be accepted will give the purchaser or lessee no prior rights over the Yangtszepoo Public Wharf situated between the Southern boundary of the land to be sold or leased and the Whangpoo River.

Official tender forms on which all tenders must be submitted, together with plans and full particulars of the property and conditions of sale or lease, may be obtained on application to the Public Works Department.

Tenders must be sent to the Acting Secretary of Council, Room 150, Administration Building, not later than 11 a.m. on June 30, 1938.

Tenderers may attend the opening of tenders in the Council Chamber, Administration Building at 11 a.m. on June 30, 1938.

By order,
T. W. GUBB,
Acting Secretary.

Council Chamber,
Shanghai, May 26, 1938.

Municipal Staff

Order Book Extracts, June 4-11.

Fire Brigade.—Long leave is granted to Mr. W. Charters, Third Officer, from July 21, 1938.

Police Force.—Chief Inspectors R. Shellswell, J. F. Lovell and V. Sharman are promoted to the rank of Superintendent on probation with effect from June 1, 1938.

The resignation of Inspector R. J. White is accepted with effect from July 4, 1938.

The resignations of Sergeants W. J. Rogovenko and V. M. Maximoff are accepted with effect from June 30, 1938 and August 17, 1938, respectively.

J. R. Bain and L. J. Ellis are appointed Probationary Sergeants on probation from June 2, 1938, and June 10, 1938, respectively.

Long leave is granted to the following from the dates specified:—

Sub-Inspector H. C. Sell from October 31, 1938.

Sub-Inspector W. C. Moore from November 8, 1938.

Sergeant C. E. A. Cooke from June 24, 1938.

Sergeant S. M. Balandenko from November 7, 1938.

Sergeant R. Chittick from November 11, 1938.

Woman Assistant L. V. Isaeff from June 28, 1938.

Public Health Department.—Mr. L. J. Self, Inspector, is promoted to be Chief Inspector from May 27, 1938.

Sanitary Overseers F. G. W. Schroeder and J. Kamei are promoted to be Inspectors from June 1, 1938.

By order,
T. W. GUBB,
Acting Secretary.

Volunteer Corps

Friday, June 3.

Retirements:—

Medical.—Captain A. Renner retires from the Corps with effect from June 1, 1938 and is granted the retired rank of Captain with the right to wear the prescribed uniform.

THE Shanghai Municipal Council health report for the week ending midnight, June 11, shows that the total number of deaths from all causes amongst the foreign and Chinese population in the Settlement were—Foreign 11, and Chinese 899. Deaths from notifiable diseases were—Foreigners, Scarlet Fever, Tuberculosis, Measles and Typhus Fever 1 each, and Chinese, Typhoid Fever 53; Tuberculosis 32; Cholera 14; Tyhus Fever 12; Measles 7; Dysentery 4; Cerebrospinal Fever 3; Influenza 3; Scarlet Fever 2; Paratyhoid Fever 2; Malaria 2 and Smallpox, Diphtheria, Beri-beri and Cholerraic Diarrhoea 1 each.

THE following are the results of the recent practical examination held by the Trinity College of Music (London) in Shanghai, the examiner being Dr. Alfred Mistowski:—Higher Local: Mr. Li Kwo Cheng—Honour. Senior Division: Eugene Pecheniuk—Merit, Helen Thecle Tsang, Betty Charlotte Wellbelove. Intermediate Division: Laura Velicogna—Merit, Rose Tsang. Junior Division: Florence Li—Honours. Advanced Preparatory: Virginia Carmen Silva—Merit, Mary Stubbings. Preparatory Division: George Lindsay Main—Honours, William Koo—Merit, Margaret Mary Main—Merit, Jessie Audrey Brockett—Merit. First Steps Division: William Koo—Honours, Catherine Arthur Hutchison—Merit. Examination for Teacher's Diploma: Li Kwo Wei—Merit.

SHANGHAI LAW REPORTS

H.M. Supreme Court

Indian Charged with Rape

REX *v.* TOLLOK SINGH

COUNSEL: Mr. Victor Priestwood, Crown Advocate, Prosecuting; Mr. K. E. Newman for Defendant.

Before Sir Allan Mossop, Judge

JURY: Messrs. P. Palamountain, J. C. E. Hetherington, J. B. Manley, G. Yates and C. B. Shackleton.

(Verdict of Not Guilty)

Shanghai, June 17.

Alleged to have raped a fifty-five year old Chinese woman, Tollok Singh, an Indian watchman, was charged in H. M. Supreme Court yesterday, before Judge Sir Alan Mossop, and the case was remanded until next morning.

Prosecuting, Mr. Victor Priestwood, Crown Advocate, stated that the woman, whose name was Chung Hontze, was assaulted by accused at House 3, Lane 310, Macgregor Road, on April 28. The woman had just returned home with her husband, after having lived in the French Concession for a number of months.

On the morning of the alleged offence the woman and her husband were cleaning their home, when the accused appeared and informed them that they would have to obtain the landlord's consent before they could live there. The husband went to fetch some water; during his absence, the woman alleged, the watchman overpowered and assaulted her.

When the husband came back he insisted on taking the accused to the police, and the latter, the woman alleged, offered them $1 if she would not inform the police. Later the couple went to the police where a charge was preferred against the Indian.

Evidence was given yesterday by Detective-Inspector G. J. Bennett of Wayside Police Station, and the complainant.

Tollok Singh, who is defended by Mr. K. E. Newman pleads not guilty. The case was heard before a jury consisting of:—Messrs. P. Palamountain, J. C. E. Hetherington, J. B. Manley, G. Yates and C. B. Shackleton.

Rape Charge Dismissed

June 18.

After a hearing lasting for two days in H.M. Supreme Court, a verdict of not guilty was announced in the case against Tollok Singh (26), an Indian watchman, who was accused of raping Zung Yao-sz, a fifty-five year old Chinese woman on April 28.

Evidence was given yesterday by Zung Loh-hai, husband of the complainant, who stated that his wife and he had just returned to House No. 3, MacGregor Road, after having lived for some months in the French Concession. Accused, who was a watchman there, asked them if they had a pass from the landlord to live there and they replied that they had not. He told them that they would have to get a pass and then went away.

Later the witness went to draw some water and was gone for about an hour. On returning he found that his wife was not downstairs, and, on going upstairs, went into the room where he saw that the accused was dressing himself. His wife was also dressing, and he then accused the Sikh of assaulting his wife. This Tollok Singh denied.

When he threatened to go to the police, the accused offered him a dollar, which he refused. Tollok Singh barred the way, but later said "I don't mind. Go to the police." Witness and his wife then lodged a complaint with the police.

Sgt. H.R.C. Sharpe gave evidence of searching the accused, but found no money on his person. Inspector G.J. Bennett also stated that he saw the two Chinese in the police station.

A woman-doctor stated that the woman was the mother of eight children, and that she bore no bruises or marks of any kind when she was examined. Narin Jin Singh, a police interpreter attached to the Wayside station, also gave evidence.

In the witness box, Tollok Singh stated that on April 27, the male Chinese offered him his wife in return for money, as they were very poor. At first he refused, but later he agreed and gave him one dollar. He was upstairs with the wife for about 45 minutes. The next day the man again asked him for a dollar and he gave one dollar to the wife. He stayed with the woman for about the same time, and then the husband came into the room and demanded five dollars, saying that if he did not get the money he would go to the police and say that Tollok Singh had raped his wife. Later the police detained the witness and charged him with the offence.

After counsel had addressed them and the judge had summed up, the jury retired and gave the verdict as stated, being exempted from further service for a period of two years.

U.S. Court for China

Traffic Cases

Shanghai, June 18.

In the U.S. Consular Court yesterday, the Shanghai Stevedoring Co. were fined U.S. $2 for allowing a truck, owned by them, to be driven without licence plates.

At the same court E. S. Easley of 176 Route Dufour was fined U.S. $1 for offences against the parking regulations and for not having had his driving licence renewed for four years.

First Special Court

Opium Smuggling Charges

Shanghai, June 17.

Acting upon information supplied by the U.S. Consulate-General, members of the Settlement and French Police Forces on June 15 carried out raids which resulted in the arrest of four Chinese alleged to be members of a dope ring supplying narcotics to smugglers on board the U.S.T. Chaumont and other vessels.

The four men—Tsu Zai-dong, tailor Hu Ping, jeweller; Wu Ping-nyoh, and Zung Ling-zien—all denied the charges, at the First Special District Court yesterday, before Judge Siao.

All the prisoners were arrested by detectives of the S.M.P. Narcotic Section under Detective Sub-Inspector A. Rhind, following the receipt of the information from the U.S. authorities.

In court it was stated that, as the result of two American sailors being caught in possession of eighty-one tael tins of opium on their arrival at San Francisco from China, a statement was taken from the two men—Robert Pinson and Andrew Horvauth. In this statement certain information was given which led the U.S. Consulate-General to inform the Shanghai Municipal Police, who immediately carried out raids, the results of which were the detention of the four Chinese.

It was stated that the prisoners had made a confession at the Police Station, after being arrested, but they denied this in court. They are alleged to have said that one man named Tseng Pan-yu was implicated in the smuggling, but up to the present this man is at large. All denied supplying the opium to the two accused sailors, although Mr. T. S. Lea, prosecuting, stated that a letter from one of the sailors, addressed to the first-named prisoner, was found during the raids.

Tsu was arrested at his home, 49-4 Yu Ya Ching Road, where he carries on a tailoring business catering for American servicemen and others. Hu was apprehended at Hope Grand Dragon Company, jewellers, 421 Bubbling Well Road, and Wu was taken into custody at the Far Eastern Hotel on Yu Ya Ching Road. Sung, a cousin of Tseng, the man whom the rest accused of being a member of the dope ring, was arrested at his home on Avenue Foch.

According to the police the value of the opium supplied to the two sailors was $1,300, and Tsu made a contact with the Americans by virtue of his profession as a tailor which allowed him a pass to board the American vessels.

An application for a remand of one week on a writ of detention, in order that the police might continue further enquiries, was granted by the Judge.

The arrest of Tseng is expected shortly, and it is hoped to have the case completed by next Thursday, June 23.

Alleged Counterfeiters

Shanghai, June 17.

Five Chinese all natives of Fukien, charged with uttering counterfeit Japanese coins, were remanded for one week at the First Special District Court yesterday before Judge Siao.

The five accused—Yih S. Yuan, Ling Zung-bing, Wu Tseng-san, Wu Tsang-sz, and Koh Kya-yuen—were stated to have been arrested after information had been received from Detective Sub-Inspector Umemoto. Detective Sub-Inspector B. Maklaevsky with a party of police seized the first four prisoners at House 41, Lane 1112, off Connaught Road, while the fifth suspect was arrested later.

A total of 147 fifty-sen Japanese coins were seized, together with lead ingots, zinc, aluminium, gypsum molds, powder and other articles used by counterfeiters.

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FOREIGN TELEGRAMS

Firmer U.S. Foreign Policy

State Department Launches Campaign to Build Stronger Position ; Effects in Far East

Washington, June 18.

THE State Department today quietly launched a campaign to make the United States "foreign policy conscious", an apparent prelude to an increasingly firm American stand in international affairs. Effects of the campaign were expected to be felt in the Far East, particularly in China, since the State Department is believed anxious to support the world démocracies in a stand against totalitarian states such as Japan which are regarded here as responsible for the current wave of treaty violation and unprovoked aggression.

The Secretary of State, Mr. Cardell Hull indicated that the State Department's campaign, through press releases, official speeches and diplomatic communications to foreign powers, would attempt to encourage Americans to take a direct interest in American foreign affairs. Americans will be encouraged to express their views on foreign policies of the United States Mr. Hull indicated, in order that the State Department will have a definite gauge on the policy Americans desire.

State Department officials said the United States today faced questions of foreign policy more grave than any in many generations. They said an attempt consequently was being made to consolidate public opinion in support of the Administration's foreign policies in order to give weight to the American position in world problems.

Officials Outline the Choice

State Department officials said the United States must decide immediately whether to "continue and strengthen moral support of the democracies or attempt a policy of isolation" The State Department campaign links in closely with strained American-Japanese relations and increasing friction between the United States and Germany, Washington observers believed.

Administration leaders here have made no effort to conceal the belief that Japan, Germany and Italy have been largely responsible for the widespread disregard for the sanctity of treaties and international lawlessness. Some observers believed the next session of Congress would reconsider the entire scope of American foreign policy. Mr. Hull said today that he would welcome such a study.

State Department officials indicated that the failure of the totalitarian states to observe treaties or live up to their word left the United States only two choices in planning future foreign policies. The first, which the Administration is believed to oppose, would involve the abandonment of American interests abroad and the adoption of a strict policy of isolation. State Department officials regard an isolationist policy impractical. The only other choice, it was indicated, is a firm stand with Britain and France against aggressor nations. —United Press.

Revision of Neutrality

Washington, June 19.

A complete revision of the United States Government's policy of neutrality was advocated today by Senator Key Pittman, Democrat of Nevada and Chairman of the Senate Foreign Relations Committee, in an interview with Press correspondents.

He added that Congress will probably be led to revise the Neutrality Law so as to take account of all questions relative to freedom of the seas, the rights of neutrals and the limitation of methods of war. To make others respect treaties, the Senator advocated that economic pressure be applied in the event that any countries violate sacred pacts. "Economic pressure| is the most potent argument," he said.

Senator Pittman also recalled that the Senate had adopted, on his proposal, a resolution condemning aerial bombardments of civilian populations. He stressed, too, that legislation adopted must render efficacious such a policy applied against violators of treaties.

He concluded, "I envisage the interdiction of exports of bombers and bombs."—Havas.

Nazi Jewish Purge

Washington, June 18.

Administration officials indicated here today that the breach between the United States and Germany was widening as they studied latest reports of Nazi terrorism and persecution renewed against German Jews.

No official comment on the developments in Germany was forthcoming, but officials indicated they believed the present Nazi purge against Jews violated all humanitarian principles, especially since the attacks have been directed against small shop-keepers and other Jews too poor to flee from their native land.

Friction between the United States and Germany has been growing for many months, mainly because of the German persecution of Jews. Some Washington observers believe this friction has reached serious proportions.—United Press.

American Showrooms Involved

Berlin, June 18.

Nazi Storm Troopers and hysterical Germans continued their relentless attack on German Jews on an enlarged scale today and broadened their activities to include several American companies as German-American tension heightened.

The Nazi campaign was directed at eliminating German Jews from Germany's economic and cultural life and was believed renewed to take the minds of Germany's millions off Czechoslovakia.

The present outbreak of anti-Jewish activity, it was learned today, was planned well in advance by the Nazi storm troopers after Herr Adolf Hitler had been forced to abandon—at least temporarily—any military invasion of Czechoslovakia because of the French warning that such action would mean war.

Storm Troopers were instructed to list Jewish shops and Jewish residents in their respective districts before the outbreak of the present intensified persecution of Jews.

The attacks today involved two American-owned showrooms of the General Motors Co, which were daubed with painted question marks by Nazis who stalked through the streets, throwing terror into the Jewish community. Question marks daubed on the American property were intended to indicate "doubt" regarding the status of ownership.

A United Press survey of the hardest hit Jewish sections of the city revealed that at least forty per cent. of the shops on the main streets were daubed with red paint, the Nazi designation for Jewish shops.—United Press.

New German Order

Berlin, June 19.

A fresh anti-Jewish movement broke out here yesterday evening. The police ordered all Jewish shopkeepers to have their names painted on the windows of their establishments, in letters eighteen inches high by six inches broad, to be inscribed in white paint. As the lettering must be placed in the middle of the shop-windows, it obscures the displays of goods inside.

Jews were instructed to carry out the order before closing up their shops last night, hence there was a frantic rush for sign painters.

The apparent object of the order is to make clear which establishments are owned by Jews.—Reuter.

H.M.S. Hardy to Be Given Nelson Relic

London, June 18.

A copy of Admiral Lord Nelson's prayer before battle is to be presented to the officers and men of H.M.S. Hardy, Flotilla leader in the Mediterranean.

The copy belonged to Lord Nelson's flag-captain at the battle of Trafalgar and was sold at auction with other Nelson relics yesterday. —Wireless through Reuter.

British M.P.'s Urged To Assist Chinese

London, June 17.

Members of the China Campaign Committee were lobbying in the House of Commons yesterday evening, urging members of all parties to agitate for an embargo on oil exports from the British Empire to Japan.

The members also urged against oil being carried to Japan on British tankers, and suggested financial assistance to China and economic pressure against Japan.—Reuter.

Commons Informed On Shanghai

London, June 15.

"Reports we have received from Shanghai indicate that a better atmosphere exists between the Japanese and British authorities there, and two or three outstanding cases have been satisfactorily settled," declared Mr. Neville Chamberlain, Prime Minister, in the House of Commons yesterday, referring to the China situation.

Mr. Chamberlain had been asked by a member to make a statement with regard to the state of affairs in China.

He recapitulated the recent military operations, and declared that Sir Robert Craigie, British Ambassador in Tokyo, had made representations to the Japanese Government regarding the air raids on Canton.

The Under-Secretary for Foreign Affairs, Mr. R. A. Butler, in reply to a question, said His Majesty's Government had done their best, within the limits which the situation imposed on them, to implement to the full their obligations to China under League resolutions. The Government, he said, were continuing the examination of the question, which raised many difficulties.—Reuter and Wireless.

Britons Barred from Nanking

London, June 15.

An allegation that Japanese officials in Nanking were refusing to allow British subjects to enter the city to inspect or protect their property was made by Mr. Neil MacLean, Labour member for the Goven division of Glasgow, in the House of Commons today.

In reply Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, said that representations had been made by Sir Robert Craigie, the British Ambassador in Tokyo, designed to facilitate the return of British subjects concerned.

As far as he knew, he added, the attitude of the Japanese authorities was that this part of the Yangtze Valley formed part of the area of military operationss.—Reuter.

Defence Loan

London, June 15.

"The most attractive offer the Government has made for a long time," is how a leading broker describes the second Defence Loan of the British Government, in an interview with Reuter.

The broker's remark epitomises the City's opinion of the Loan, which, contrary to its predecessor, has met with the warmest approval in investment circles.

The amount of the new Loan is £80,000,000, bearing interest at three per cent., and redeemable from 1954 to 1958. The issue price is 98 per cent.

Not only is the yield regarded as satisfactory, but the life of the loan is considered attractive for large investors, such as building societies and insurance companies, which prefer to invest their large funds in loans under par.

Brokers Approve

In this connection, it is pointed out that insurance companies actuarially require at least a 3½ per cent. yield, a condition which is satisfied by the new loan.

Brokers are advising private investors to switch from corporation loans to this senior stock.

Some stagging, mostly on the part of the larger capitalists, is expected.

The gilt-edged securities market initially responded to the new loan by marking-down existing stocks from 1 to 2½ points in anticipation of selling. When unloading, however, failed to materialize, a recovery set in, dashing the hopes of bears, which had been short in stock, to cover their commitments cheaply.

Government's Technique Changes

While admitting the attractiion of the Loan, the money market stresses the change in the Government's issuing technique. The Treasury now appears to prefer an immediate certain loss by granting favourable terms to uncertain subsequent losses which might be incurred if Public Departments gradually unloaded stock previously not digested by the public!

It is not believed that the decision to offer the loan on more favourable terms implies that the authorities expect dearer money.—Reuter.

Former China Envoy Given New Post

London, June 17.

The former British Ambassador to China, Sir Hughe Knatchbull-Hugessen, has been appointed chief of the special department for questions of international trade and exchange of goods at the Foreign Office.—Trans-Ocean.

Berlin Jews Arrested by Scores

East End Shops Victimized ; Official View Alleges Criminal Activity by Accused

London, June 18.

THE British Government will continue to insist that Germany replies to the four demarches made on the subject of the revived persecution of Jews in Germany, authoritative circles declare. Britain will recall that Berlin has given Italy explanations on the exact meaning of the new rules concerning Jews, the same quarters assert.—Havas.

Berlin, June 18.

A series of police raids on Berlin restaurants usually frequented by questionable characters have, Trans-Ocean learns, resulted in the arrest of a great number of criminals and persons of allegedly dubious pursuits. The first "razzia" took place on May 31 when 339 persons including 317 Jews were taken into custody in two large cafes on the Kurfuerstendamm.

After a cross-examination of these persons, it is now announced that 76 of those arrested were engaged in criminal activities. On the basis of material collected in this first raid, further police raids have been carried out, the latest being on June 16 when a number of persons were taken into custody by the secret police for questioning, including 143 Jews. Of these 26 were without nationality, 51 were foreigners not possessing valid passports and 66 were German Jews.

It is emphasized in informed circles here that the object of these raids is to rid Berlin of criminal elements who have been engaging in nefarious practices and is not in the nature of action against the Berlin Jews as such. That a number of Jews have been placed in protective custody is however admitted, the reason given being that the influx of Jewish criminal and other elements into Berlin from the provinces has been so great that public indignation has been aroused and anti-semitic demonstrations have taken place. It is a known fact that Berlin's number of unwelcome characters has increased during recent months, as the possibilities of living and carrying out criminal and nefarious activities in a large city are greater than in smaller towns.—Trans-Ocean.

Local People Disapprove

Berlin, June 18.

At the Frankfurter Allee, the centre of the anti-Semitic outbreak in the East End of Berlin last night, scores of shops were victims of wanton destruction and insults, which were so extensive that observers said they could not have been carried out without systematic preparation and the connivance of the police. Furniture and shoe shops and drug stores were the principal victims. Their windows were plastered with huge painted letters reading "Jewish swine," and "Jewish bitch." In some cases windows, doors and shop signs were smashed, while name plates of Jewish doctors were defaced.

The remarks of bystanders, however, indicated that the local population disapproved of the anti-Jewish demonstration.—Reuter.

Anti-Semitism in Schools

Berlin, June 17.

Panic-stricken by thousands of arrests, Jews today roamed the city's streets, fearing to return home because it was reported that in night raids whole families would be aroused and imprisoned. They formed little groups for the purpose of telephonic relays to keep a check on friends and disappearances.

Meanwhile, the latest anti-Semitic campaign extended to the schoolrooms. School children were warned not to associate with Jews. Teachers held special lectures, enjoining the children not to enter Jewish shops and to refuse to buy Jewish goods even if their parents requested them to do so.

The Anti-Jewish action was necessary because the behaviour of Jews "of late has been provocative, resulting in the growing indignation of the population," an official Government spokesman said. He said that in order to prevent more serious outbreaks, a number of persons must be taken into protective custody.—United Press.

Chinese May Buy Fast U.S. Pursuit Planes

Los Angeles, June 15.

Chinese were reported today to be negotiating for the purchase of super-speed military pursuit planes carrying seventeen machine-guns which will be manufactured here by a new aeroplane firm to be known as the Martin Aircraft Corporation.

Captain R. H. Martin announced formation of the U.S.$2,000,000 corporation which will produce the craft. The planes will have a cruising speed of 400 miles per hour and the seventeen machine-guns will be mounted in clusters of three with a single trigger control operating each "nest," the announcement disclosed.—United Press.

French Retort to Tokyo Charges

Paris, June 18.

Statements attributed to General Kazushige Ugaki, Japanese Foreign Minister, were severely commented upon by two newspapers here today when the question of Arms transports through Indo-China into China was again brought up.

"L'Ordre," Centrist organ, writes, "If we were taking offence, we would declare to Tokyo, 'The false charges you bring against us are going to become realities.' Only acting in that manner should we counter the unacceptable Japanese attitude."

"L'Oeuvre", Radical Socialist newspaper, also takes up the cudgels in writing, "French diplomats in Tokyo have already replied to the charges brought against us. This did not prevent Gen. Ugaki from alluding to us again yesterday. Once more France is threatened with the occupation of Hainan Island. In fact, however, it is Japan's great fear that China will establish her capital in Yunnanfu, not far from Indo-China."

Necessities of Japan's internal policy are chiefly responsible for the repeated attacks against France's attitude in the China conflict made by the Nipponese Press and reportedly voiced by Gen. Ugaki, authoritative Far Eastern experts declare today. They point out that Japan has not answered the French requests to cite precise facts justifying the present anti-French campaign.

Diplomats here assert, "Japan would find it difficult to point to any specific instances in which France has not enforced the prohibition of the transport of arms through Indo-China."

General Ugaki's statements were apparently purposely vague, neither denying nor confirming the accusations of Japanese news organs.

"France was the sole Power which took special measures to arrest the traffic of war material across its Far Eastern possessions, authorizing the transit only of material which had been ordered by China before the outbreak of hostilities," politicians continue.

"This measure constituted a gesture of high international courtesy, which the Japanese Government probably realizes to the full despite the necessities of their internal policy," they add.

Satisfaction is expressed at Gen. Ugaki's clear affirmation that Japan is not contemplating the occupation of Hainan Island. This, it is pointed out, clears up Admiral Noda's recent statements that Japan was ready to gain victory in China "by all possible means; hence, hostilities may break out at any point in China."—Havas.

London Mission Society Asks Aid for China

London, June 17.

The Board of Directors of the London Missionary Society, which has over 100 workers in China stations today, has adopted a resolution according to which it "views with abhorrence the ruthless bombing of non-combatant populations in Canton and other places in China," and asks, "Would the British Government take all peaceful means to prevent such bombing?"

The resolution also invites churches to devote special prayers for the sake of the attacked civilians and "so that the Christian Church in Japan may be strengthened for its task of correcting the rampant militarism of the Japanese people."—Reuter.

ss. Anglo-Indian Safe

San Pedro, June 16.

The new British steamer, the ss. Anglo-Indian, which sent out an S.O.S. on Tuesday to say the ship was afire, safely reached harbour yesterday. The fire is now under control but has caused heavy damage to the cargo. The vessel is only slightly damaged.—Reuter.

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British Transport Facilities

Commons Informed of New Defence Plan Section; Comprehensive Trunk Road Development Scheme

London, June 17.

SPEAKING in the House of Commons today on his department's vote, the Minister of Transport, Mr. Edward Burgin, ranged over a variety of topics, including plans being made for meeting problems of transport created by national emergency, the Government's five-year programme of trunk road development and the 30-year scheme for London traffic improvements recommended in the report of Sir Charles Bressey.

Mr. Burgin said the vote included, for the first time, a small section described as the Transport Defence Plans Section, which was engaged in the consideration of home defence plans as they would affect transport.

The formation of this special section in the Ministry, he said, reflected the important part which transport played in home defence. Among important matters under consideration were those which would arise should it ever be necessary to divert shipping from the east coast to the west coast, or to distribute imports from the west coast.

Apart from these, rail, road and other inland transport services would have to be adopted to meet abnormal conditions in time of emergency.

The plans of other departments—for air raid precautions, medical and hospital services etc.—depended on the existence and availability of adequate and suitable transport.

Greater London Roads

Speaking of the Sir Charles Bressey highway development survey of Greater London, the Minister mentioned that the report had proved a best-seller and was temporarily out of print.

Its recommendations he described as far-reaching and audacious. They were receiving expert and detailed study.

The programme embodies much that was beyond immediate realization but he hoped that all local authorities concerned would do all they could to make their own development plans confirm as nearly as possible to the lines laid down in it and proceed as quickly as circumstances allowed with the more urgent of the schemes.

The London County Council, the City Corporation and the other highway authorities concerned would, he was sure, as responsible improvement authorities, not only welcome the report as an authoritative guide to future activities, but be anxious to implement the recommendations.

Road Fund Grants

In so doing, they could count on the whole-hearted support of his department which, Mr. Burgin observed, would take the substantial form of grants from the Road Fund. He said he had asked all the highway authorities concerned to give the report urgent and careful consideration.

In conjunction with the London County Council, certain of the schemes had been given priority constituting the first and substantial instalment of the whole programme.

The Government and council were anxious to proceed as rapidly as circumstances permitted but a due sense of proportion must be maintained.

Costs at About £230,000,000

Subject to qualifications and reservations, Mr. Burgin estimated the cost of the whole programme at somewhere between £160,000,000 and £230,000,000.

Within the London County Council area, he said, there were 123 miles of improvements, which would cost between £80,000,000 and £120,000,000.

Dealing with the five-year programme of trunk roads, Mr. Burgin said schemes had been submitted to the estimated total cost of over £129,000,000, of which works up to £93,000,000 had been approved to date. The amount actually spent under the programme to the end of May was £23,000,000, of which £14,000,000 had been contributed by the Road Fund.

By the end of the financial year the total expenditure would have reached £34,000,000.

The trunk roads, for which the Ministry had become responsible fifteen months ago, were 4,500 miles in length, comprising thirty main arterial routes, of which eleven radiated from London.

Trunk Road Plans

A reconnaissance survey, which the Ministry had ordered, was finished for all but one tenth. The standard they were aiming at for all new construction was dual carriage-ways, separate footpaths, separate cycle tracks and adequate margins. A width of from 80 to 120 feet, and in some cases 140 feet between fences was necessary to achieve this object.

The Government, he said, had under consideration the question of roads restricted to one kind of traffic but their construction would require legislation.

On road accidents, Mr. Burgin said in his judgment the problem constituted a challenge to humanity adequately to impress itself with the stupidity and cruelty of allowing the toll of the roads to continue.

A committee had recently examined the question of accidents among pedal cyclists and the recommendations, which were receiving his careful attention, raised wide and controversial issues. The report, he concluded, would be issued on Monday.—Wireless through Reuter.

Czech Tension Relaxed

Prague, June 14.

There is a general relaxation in tension noticeable throughout the country today after the strain of the third Sunday elections.

The Political Sub-Committee of the Council met yesterday to hear the results of Dr. Milan Hodza's negotiations with the representatives of Herr Konrad Henlein, Leader of the Sudeten German Party. The talks will be resumed today, but are likely to be protracted owing to the wide field to be covered.

The results of the elections have strengthened Herr Henlein's claim to speak for the vast majority of Sudeten Germans, but the Government also feel encouraged by the results, showing that it enjoys the increasing support of the Czech and Slovak communities of the country.—Reuter.

Germany to Avoid War

Berlin, June 14.

"Germany will not allow herself to be dragged into war by Czechoslovakia," Government quarters now insist. They add that the Reich will remain peaceful "despite the fact that Prague is wilfully creating a permanent danger of war breaking out in Central Europe by maintaining exceptional military measures in the Sudeten districts."

Local politicians voice confidence in the belief that the Reich will sooner or later achieve her aims, and they assert that strong nerves and patience will finally secure victory for Germany.—Havas.

Herr Hitler Challenges Democracies

Berlin, June 14.

Germany's Chancellor, Herr Adolf Hitler, challenged the defence of civilization by democracies today in a speech at the laying of the cornerstone of the house of German tourist traffic in Berlin. "The so-called democracies imagine they are called upon to defend civilization," Herr Hitler said. "But we tell them first create some civilization. Then you may defend it."—United Press.

New German Protest To Prague

Prague, June 19.

The German Minister in Prague, Dr. Eisenlohr, lodged a protest with the Prague Foreign Office yesterday morning against the violation of the German frontier by Czech military aeroplanes. He demanded a strict investigation and punishment of those responsible for the incidents.

The following official communique was issued here early yesterday afternoon:

"The reservists called to the colours at the end of May for special manœuvres, have been demobilised during the last few days. The training of the reserves is now proceeding normally."—Trans-Ocean.

Conscription Extended To Austria

Berlin, June 17.

Col.-Gen. Wilhelm von Keitel, Chief of Staff of the Reichswehr, has decreed that compulsory two-year term of military service enforced in Germany be extended to Austria.—Havas.

Britons Warned on German Trading

SPECIAL TO THE "N.C.D.N."

London, June 16.

Disappointment with the working of the Anglo-Russian trade agreement was expressed in the House of Commons yesterday by Mr. Oliver Stanley, President of the Board of Trade, in a speech during a debate on British trade conditions.

The letter of the agreement, Mr. Stanley said, was being observed, but it was being carried out in the proportion of re-exports to exports manufactured in Great Britain, which did not represent the spirit in which they believed the agreement was going to be carried out.

He was at present discussing this very important question with some of those interests who were most affected by the course of trade with Russia.

Austrian Loan Problem

Referring to the Austrian loan negotiations, the President of the Board of Trade said it was impossible at present to make any announcement in regard to the nature of the action likely to be taken, which must clearly depend upon circumstances.

The Government still hoped that the negotiations would reach a successful conclusion, but traders must recognize that there might be difficulties in obtaining payments after the end of June. They must, therefore, use discretion in accepting any new commitments which might result in an accumulation of debts in Germany.—Reuter.

Official German View

Berlin, June 16.

Speaking at Bremen today on the principles of Germany's foreign trade policy and the problems of international indebtedness, Dr. Walther Funk, Minister of Economics, declared that such political indebtedness, in the form of the Dawes and Young loans, had brought Germany to the verge of destruction.

The prestige of National Socialist Germany, he asserted could no longer tolerate the present unjustifiably high rates of interest, and an early agreement must be reached assuring of their reduction to a more normal figure.

Germany, Dr. Funk declared, would meet every commercial debt honestly, but regarded the system of political debts incompatible with the Nazi economic system.

He described the Austrian loan as an example of a political loan. In the light of international practice, he said, Germany could not be expected to assume responsibility for Austrian state debts.—Reuter.

Gen. Werner von Fritsch Reinstated by Fuehrer

Berlin, June 16.

Herr Adolf Hitler has re-instated Col.-Gen. Werner von Fritsch, whose retirement from the post of Commander-in-Chief of the German Army was among the important changes announced last February.

Gen. von Fritsch has been granted the honorary title of Colonel-in-Chief of the 12th artillery regiment in Schwerin "in recognition of his great services in the reconstruction of the Army."

Gen. von Fritsch, it will be recalled, had previously been accused of moral offences. He applied to have evidence heard in a court of honour, which entirely cleared him.

It was expected following the decision in his favour that Herr Hitler would accord him an honour such as the colonelcy-in-chief of a regiment, or a field-marshal's baton.

Fifty-seven years of age, Gen. von Fritsch served throughout the Great War as General Staff Officer of the 4th Army, and of the 1st Division of Guards. Following the re-establishment of conscription in 1935, he was made responsible for the development of the new German Army.—Reuter.

Nazi Party in Hungary

Budapest, June 14.

A new Nazi parliamentary party, the "National-Socialist Christian Front," was created here yesterday. This will be the third Nazi group in the Chamber of Deputies, and is composed of nine members of the Lower House. The party will follow the same line of action as its two predecessors, such as the inclusion of an anti-Semitic programme, but is expected to concentrate particularly on agrarian reform.—Havas.

Frontier Pact

Berlin, June 14.

An agreement regarding minor adjustments of the frontier between Germany and the Netherlands was signed by the German and Netherlands representatives at the Foreign Office here yesterday.—Trans-Ocean.

Palestine Control Strengthened

Commons Told W. Indies "Disturbances Express Sense of Unrest Which We Must Respect"

London, June 15.

"I HOPE that the combination of recent efforts will very substantially reduce the number of incidents in Palestine," declared Mr. Malcolm MacDonald, Secretary of State for the Colonies, reviewing the colonial situation in the House of Commons yesterday.

"Nevertheless," he continued, "the Government is watching the situation with the greatest care, and have under active consideration the question whether more forces are required for the final attainment of our objective of restoring law and order."

Mr. MacDonald added that the Woodhead Commission had been instructed to complete their work as quickly as was consistent with thoroughness and efficiency.

The Government, Mr. MacDonald stated, would give its attention to the Commission's report immediately it was received.

West Indies Situation

Dealing with the situation in the West Indies, Mr. MacDonald foreshadowed the appointment of a Royal Commission to inquire into social and economic conditions there.

The terms of reference and constitution of the Commission, Mr. MacDonald added, would require careful consideration.

The recent disturbances, Mr. MacDonald declared, were not the result of a "passing whim," nor were they surface movements without roots.

They expressed, he said, a sense of unrest which was fairly widespread, and "arises from feelings which we must respect." Except for a small minority, the demonstrators were not moved by anti-British feeling, he went on.

Loyalty to Crown Undoubted

"No people in the British Empire are more loyal than its subjects in the West Indies," Mr. MacDonald said, "and that fact should make a stronger appeal to our sympathy when considering ways of improving the economic situation."

The local Government in Jamaica, Mr. MacDonald concluded, was not "unaware, indifferent or idle" when the recent outburst occurred, and a Committee of Enquiry into workers' wages was proceeding when the workers tried to take the situation into their own hands.—Reuter.

Reich to Build More Submarine Flotillas

Berlin, June 16.

The Reich's naval programme for this year foresees the formation of three submarine flotillas, diplomats have admitted today.—Havas.

Closer Anglo-Italian Bonds Sought

Rome, June 18.

Official sources confirmed reports here today that Count Galeazzo Ciano, Italian Foreign Minister, had informally suggested to Britain that a study be made to expedite the operations of the recently signed Anglo-Italian Pact.

Count Ciano was said to have informed the British Foreign Office that Italy had fulfilled all the provisions of the Pact except some conditions regarding the Spanish civil war which "could not be fulfilled because of the obstructionist tactics of other nations."—United Press.

Rome, June 19.

Bound for Signor Benito Mussolini's country residence, Rocca del Caminate, Count Ciano, has left Venice following his conference with Yugoslavian Premier Milan Stoyadinovitch.

Count Ciano, will report on his discussions with Dr. Stoyadinovitch, which bore on political subjects of interest to both statesmen's countries. Count Ciano is also understood to have discussed the purchase of large quantities of wheat from Yugoslavia.—Havas.

Economic Stand

Berlin, June 13.

The German Commission, which is conducting negotiations with the British Commission on economic relations between Great Britain and Germany, has forwarded a memorandum to the British Commission giving details of the German attitude towards all points raised by the Austrian anschluss, including the debt service on the Austrian International Loan.—Reuter.

French War Emergency Control Bill Passed

Paris, June 18.

Parliament adjourned till the autumn, closing the session yesterday afternoon after the Chamber of Deputies had passed the Wartime Organization Bill as amended by the Senate.

The Bill, which provided for the mobilization of the fighting forces under a single command and the mobilization of industry, under a specially-appointed Minister of Mobilization, for defence against aircraft, thus becomes law.

The main principles of the measure are that everything and everybody must aid in the defence of the nation in time of war.—Reuter.

U.S. Holds Germany Liable for Austria

Washington, June 17.

Mr. Cordell Hull, Secretary of State, today released the letter which Mr. Hugh R. Wilson, United States Ambassador to Germany, delivered to the German Foreign Office on June 9 rejecting the suggestion that the Reich was not liable for Austria's foreign debts.

The letter reiterated the American contention that Germany had assumed all responsibilty for the debts by annexing Austrian territory.—United Press.

Settlement Sought

Berlin, June 18.

It is learned here that while the Reich intends to adhere to the view that they are not responsible legally for Austrian loans, they do not wish the British Government to implement its guarantees.

They desire a satisfactory arrangement under which sufficient money would be provided to pay interest on loans. The German authorities are pressing for a reduction in the interest on the Dawes and Young loans, and are hopeful of a settlement embodying all points.—Reuter.

Deputation Calls at Japanese Embassy

London, June 14.

A deputation representing the China Committee went to the Japanese Embassy today to protest against Japan's threat to increase the intensity of air raids in China.

After waiting for 30 minutes the deputation was informed that the Ambassador, Mr. Shigeru Yoshida, was not in the Embassy, and that no appointment had been made.

Mr. Clegg, the organizer of the China Campaign Committee, told the press afterwards that he had arranged with the Japanese Embassy yesterday for a deputation to attend. The Embassy suggested a time, which Mr. Clegg said he confirmed by telephone in the morning.

The members of the deputation were Mr. Ben Tillett, well-known labour leader; Mr. Richard Acland, Liberal M.P. for the Barnstaple division of Devonshire; Mr. Wilfrid Roberts, Liberal M.P. for North Cumberland; Miss Agnes Maude Royden, and Miss Margery Fry.—Reuter.

U.S. 15th Infantry Men Awarded Medals

Washington, June 17.

The War Department today awarded medals to twelve officers and enlisted men of the Fifteenth Infantry for heroism under fire in protecting regiment equipment during a battle between Chinese and Japanese east of the railway station at Tientsin on last July.

A detachment of the Fifteenth Infantry, only recently recalled to the United States from China, arrived at Tientsin from Chinwangtao and found a battle raging. The men were isolated for fourteen hours as the battle continued. They did not participate in the battle but protected the regiment's supplies.—United Press

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FOREIGN TELEGRAMS (continued)

Castellon Falls to Nationalists

Republicans Continue to Retreat; Nationalists Now Near to Valencia; Many Air-raids

Hendaye, June 13.

In a speedy encircling manœuvre, the Nationalists today captured Castellon de la Plana and Port Elgrao, closing the bottle-neck and trapping thousands of Republicans by cutting off their escape toward Sagunto along the highway leading to Valencia, the Nationalist Headquarters at Burgos officially announced today.

Neutral observers, however, believed that Gen. Jose Miaja, leader of the Madrid Defence Junta, had moved at least 10,000 men outside the Nationalist lines prior to the closure of the only route to safety.

After meeting with resistance yesterday from "suicide squads" who kept the advancing units at bay with furious sniping, the Nationalists announced that they had completely occupied Castellon de la Plana at 7.15 p.m.

The Navarese and Galician divisions sloshed through the streets in a driving rain in taking the city.

Civilians "Greet" Conquerors

Because of the speed with which the Nationalist troops captured the city, most of the civilians remained in Castellon de la Plana and "enthusiastically greeted" the Nationalists, the Burgos headquarters announced.

The Nationalists also claimed to have cut the Republican communication lines at Villa Real.

Meanwhile, fleets of bombers attacked the coastal cities all the way to Alicante in an effort to shatter the morale of the defending Republican forces.

They raided the Castellon railway station and heavily bombed it, apparently attempting to halt the evacuation of the Republicans. They also bombed Sagunto where they expected the Republicans to establish new lines of defence.

The victory, the Nationalist Headquarters claimed, presents an opportunity to win the civil war because it paved the way for an assault on Valencia and the isolation of Madrid.—United Press.

German Soldiers Captured

Barcelona, June 14.

For the first time in the history of the Spanish war, German infantrymen were captured by Republican forces today. Eleven of them fell into the hands of Republican troops during clashes this morning on the Teruel front.—Havas.

Apology to France

Paris, June 14.

The Burgos Nationalist Spanish Government expressed regrets today over a recent incident which drew a protest from France. The incident involved a Nationalist airplane which flew over St. Jean de Luz. Burgos explains that the craft was a tourist 'plane piloted by certain South American visitors who crossed the Spanish frontier by mistake.—Havas.

Soviet Envoy Recalled

Moscow, June 15.

The Soviet Ambassador in Barcelona, M. Gaikis, has been summoned to Moscow to report on the situation arisen from the rapid Nationalist advance on Valencia.

M. Gaikis was called to Moscow when the Nationalists broke through to the Mediterranean but the journey was postponed after urgent consultations with the Spanish Republican Premier, Dr. Juan Negrin.—Trans-Ocean.

Castellon Bombarded

Paris, June 16.

Official circles in Valencia announce that Castellon de la Plana was bombarded by warships which "appeared to be German." Recently, officials in Valencia were informed, a flotilla of German destroyers passed through the Straits of Gibraltar.

The Nationalists are now reported to have completely occupied Castellon de la Plana. Resistance in the last Republican strongholds collapsed early in the morning.—Reuter.

Citizens Rush for Food

Castellon, June 16.

With the collapse of Republican resistance in their last stronghold in the north-west corner of the city, the Nationalists early this morning completed the capture of Castellon de la Plana.

Wild scenes of rejoicing were witnessed everywhere as Gen. Franco's troops marched into the city. The predominant emotion was gratitude that food had finally arrived. A loaf of bread which Reuter's special correspondent had with him was torn from his hands by hungry citizens, who had not tasted bread for several days. Food lorries were sent from every province in Nationalist Spain as soon as the city was captured.

A tour of Castellon revealed that the port was honeycombed by elaborate subterranean air-raid shelters, in which the inhabitants had hitherto led a troglodyte existence.

In preparation for the Nationalist capture of the port, many women passed their time in altering the red, yellow and purple of the Republican flag to the red, yellow and red of Gen. Franco's colours.—Reuter.

Republicans Retreat

Hendaye, June 15.

The Republican Generalissimo, Gen. Jose Miaja, today abandoned Castellon province to the Nationalists and entrenched between 70,000 and 80,000 troops along a 47-mile front for the defence of Valencia, twenty miles south.

Gen. Miaja, appealing to the Barcelona Government to conscript more men for the front lines, established his defence of the former provisional capital of Republican Spain extending from Almenara on the border of Valencia province inland across the mountains to near Mora de Lubielos.

Gen. Miaja's new lines were only ten miles from the spearhead of the Nationalists sweeping down the coast.

Gen. Francisco Franco hammered the Republicans on three scattered fronts. While his Mediterranean Army under Gen. Miguel Aranda took Villa Real and advanced two miles beyond to within about 33 miles of Valencia, his Army on the southern Cordoba front launched an offensive against Republican positions north-west of Pennaroya after weeks of inactivity.

Retreat into France

In the far north along the French frontier, Gen. Juan Solchaga's Nationalists appeared to be fighting the last stage of their assault on ragged troops of the 33rd Republican division in the Bielsa pocket.

A flight of the Republicans to the safety of French soil through the last two mountain passes remaining open, was reported. Between 3,000 and 6,000 Republicans unable to reach their comrades to the south still held out in the southern outskirts of Castellon de la Plana.—United Press.

French Border Crossed

Tardes, June 16.

Two thousand of the Republican "lost division" entered France by Gela Pass today while the 18th French Infantry was en route from Pau to the frontier to disarm the arriving Republicans. It was expected that 9,000 would enter before dawn this morning.—United Press.

Three German Prisoners

Valencia, June 16.

Military authorities here stated today that among the Germans recently taken prisoners on the Castellon front were three airmen who were brought down in air combats.—Havas.

British Seaman Killed

Barcelona, June 17.

A seaman, of British nationality, and born in Mauritius, was fatally wounded in yesterday's air raid on Barcelona while he was running to his ship, the Seabank Spray, from an air raid shelter.—Reuter.

Berlin Denial Issued

Berlin, June 17.

A report from Valencia that German destroyers had shelled Castellon de la Plana was semi-officially denied here yesterday.—Reuter.

Lloyds Claims Damages

London, June 17.

Lloyds underwriters are claiming £250,000 damages from the Spanish Nationalist Government for the sinking of British ships by Nationalist planes, according to a "Daily Express" report this morning. Lloyds contend that the sinking of British freighters was not due to a misunderstanding but they were deliberately attacked by Nationalist aircraft.—Trans-Ocean.

Territory Added

Saragossa, June 17.

Since January 1, 1938, the Nationalist forces under Gen. Francisco Franco have succeeded in adding 42,000 sq.-km. of territory to Nationalist Spain, it was announced here today.

Since the beginning of the Aragon campaign, the Nationalist Army has occupied almost all Huesca province, one-quarter of Lerida province and practically the whole of Teruel, Saragossa, Tarragona and Castellon provinces.

Throughout today, the Nationalists steadily progressed along the 3-mile front stretching from Castillo Villafamela to the Mediterranean Sea. After crossing the Rio Mijares, they occupied Villareal and are continuing their advance, it is announced here.—Havas.

Fascist Salute Adopted

Burgos, June 18.

Officers and men of the Spanish Nationalist Army must in future, it is officially gazetted here, give the Fascist salute when soldiers attend public meetings which are also attended by civilians. The ordinary military salute will be given by soldiers when on duty. During parade officers not bearing arms will give the Fascist salute. All members of militia and falange will give the Fascist salute exclusively.—Trans-Ocean.

Republican Submarine

St. Nazaire, June 17.

The Republican Spanish submarine, C2, which was the object of a "kidnapping attempt" by the Nationalist, Col. Troncoso some time ago, left port today for an unknown destination.—Havas.

Valencia Again Raided

Valencia, June 19.

Nationalist planes bombed the Valencia suburbs of Grao, Cabanal and Malvarrosa twice yesterday, at 1.30 and 2.50 o'clock in the afternoon. The raiders also bombed several villages near Valencia. In the village of Masamagrell, six persons were killed and 15 wounded, and at the small harbour town of Gandie, 8 persons were killed and 24 injured.

Alicante was likewise once more bombed by the Nationalist air force yesterday. Eleven persons were killed and 27 injured during the bombardment, it is stated.—Trans-Ocean.

Further Raid

Gandia, June 18.

Nationalist bombers appeared over this city today and carried out yet one more of their disastrous bombardments, killing eight and wounding 24 residents.

Franco aircraft also raided Alicante today, bombing the waterfront section of the port. The toll mounted to 11 dead and 27 injured.

Several villages in the province of Valencia were visited, too, as the attackers kept busy. Heavy casualties were sustained in the places bombed, especially in the region of Masamagrell, where there were six people killed and 15 maimed.—Havas.

Defence Lines Collapse

Hendaye, June 19.

The Spanish Republicans' first line of defence south of Mijares collapsed today as Nationalist troops poured across the shallow Mijares River at four points despite the destruction of bridges by the fleeing Republican forces.

The Nationalists drove toward Sagunto and Valencia along an eighteen mile front in one of the most bitter offensives of the Spanish war. The immediate Nationalists objectives were the occupation of Onda, Bechig and Burriana.

While the Nationalists were driving toward Valencia, Republican forces battered at Nationalist units holding out at Villa Real, war-torn scene of a dozen sanguinary battles since the beginning of the civil war.

The Republicans staged persistent counter-attacks against the Nationalist on the Villa Real front, pounding at the Franco lines with tanks and artillery, but the Nationalists appeared to be holding their ground.

The Nationalist drive was fast developing into a broad offensive with four powerful spearheads pounding the Republican defences. One unit of seasoned Galician troops crossed the river east of Villa Real and reached the outskirts of Burriana, a second column, the main Nationalist force, fought off the Republican counter-offence at Villa Real, a third column of Navarrese units meanwhile crossed the Mijares River, continuing their advance toward Onda and Bechi. Mixed units of Galicians and Castillians meanwhile drove toward Espadilla and Onda.—United Press.

Italian Spain Casualties

Rome, June 16.

The official list of Italian losses in Spain since February 1937 was released here today, and alleged that the total amount of Italian legionaries killed in Spain since that date was only 2,055.—Havas.

Czech National Fund

Prague, June 18.

Within one week, the proceeds of public subscriptions to the National Defence Fund have mounted up to 300,000,000 crowns, it is reported locally today. President Eduard Benes heads the list of subscribers with a donation of 100,000 crowns, while the Ministers of the land have contributed 200,000 crowns.—Havas.

Protection for British Ships

Full Guarantee on High Seas; Spanish Ports Entered at Own Risks; Commons Statement

London, June 14.

WARNING that, while protection would be afforded to British ships on the high seas, ships entering ports liable to military attacks did so at their own risk, was uttered by Mr. Neville Chamberlain, the Prime Minister, in the House of Commons today in announcing the British Government's views regarding the bombing of British ships in Spanish ports. One proposal which had been made, Mr. Chamberlain said, was for the provision of safety zones in certain harbours, while another proposal, made by the Burgos authorities, was for the creation of a neutral port in Spanish Republican Government territory where British ships would enjoy freedom of entry and egress.

Apart from these proposals, the Prime Minister declared, investigations by the British Government had showed that unless we were prepared actively to participate in hostilities, effective protection could not be guaranteed to ships trading with ports in the war zone while in territorial waters.

The Government, Mr. Chamberlain declared, did not recommend such a course, which might well result in the spread of the present conflict.

Eleven British Ships Damaged

He would, therefore, repeat the warning given to British shipping last November that, while protection would be afforded to ships on the high seas, ships entering ports which were liable to military attacks did so at their own risk.

Nevertheless, Mr. Chamberlain continued, it was impossible that attacks involving loss of life, and sometimes apparently deliberate, could be repeated without seriously injuring the friendly relations with the Burgos authorities.

Since April 11, the Prime Minister informed the House, 22 British ships had been involved in air attacks, of which eleven were sunk or seriously damaged. The attacks appeared to be deliberate in several instances.

Mr. Chamberlain returned to London today, and separately received Mr. Joseph P. Kennedy, American Ambassador; Mr. Malcolm Macdonald, Secretary of State for the Colonies; Lord Halifax, Foreign Secretary, and Sir Kingsley Wood, Secretary of State for Air.

The Cabinet is not expected to meet until Wednesday, but there will be informal meetings of ministers tomorrow.

Shipping Chamber's Inquiry

The Chamber of Shipping of the United Kingdom yesterday investigated the allegation that British ships plying to Spanish ports are carrying contraband cargoes.

Enquiring into the situation, in consultation with ship-owners, the Chamber later stated that it was satisfied that there was "no justification for any such suspicion."

"British ships," the Chamber added, "are strictly supervised both in loading and discharging their cargoes, whether plying to from or between Spanish Government ports by agents of the shipping firms aided by the captain and officers, and an independent Non-intervention Officer.

Commons Agenda for Week

According to present arrangements, the House will proceed after question time with the business of supply, discussing votes for the Colonial Office, and the Colonial and Middle Eastern Services. It is expected that the recent unrest in Jamaica, and the question of Palestine, will claim the principal attention of the House.

On Wednesday, it is learned, the Board of Trade vote will offer an opportunity for the position regarding the Van Zeeland report to be raised.

On Friday, when the vote for the Ministry of Transport is down for discussion, another report regarding which many members will be anxious to hear that action is contemplated and the Bressey report on the replanning of Greater London's traffic arteries, is expected to be the subject of debate.—Reuter.

Iron Ore Embargo

Sydney, June 15.

The Japanese Government sent a further note to the Australian Government today protesting against the action of the Australian Government in prohibiting the export of iron ore to Japan.

Meanwhile, it has been officially admitted here that in the event of Australia adhering to the embargo Japan will be entitled to demand of the Australian Government compensation to the extent of several million pounds sterling in view of the capital investments made by Japan in the Australian iron ore mines in Yampi. These investments are estimated at between £300,000 and £400,000.—Trans-Ocean.

President's Son is Married

Nahant, Mass., June 18.

Mr. John Roosevelt, last bachelor son of the President, was married here today to Miss Anne Lindsay Clark, popular Boston debutante, in a simple twelve minute ceremony in the presence of the President and Mrs. Roosevelt.

The groom spoke the wedding vows loudly, but the bride, misty-eyed, was barely audible. The couple did not kiss following the ceremony. Three hundred guests attended the ceremony in this quaint New England village. The President and his wife were in the first pew of the church during the ceremony. Only 5,000 persons waited outside the church to see the popular couple following their wedding.

Only 36 persons attended the wedding breakfast following the ceremony, but 800 persons were invited to a reception at the Nahant Club later in the day.

The young Mr. Roosevelt and his bride stole away from the reception to begin a secret honeymoon. Originally it had been announced they would make a brief tour of Europe, but it was believed they were going to the Roosevelt summer home at Campo Bello, New Brunswick. They were expected to sail for Canada aboard Mr. Richard Hart's yacht Vayou which was moored at the town landing here ready for a voyage.

The young Mr. Roosevelt will return to work with a Boston advertising agency following the couple's honeymoon. The young Roosevelts will live in Brookline, Mass.—United Press.

Hungary Pays Sum on War Debt Account

Washington, June 15.

M. John Pelenyi, Hungarian Minister to Washington, today informed the State Department that Hungary had paid to the Federal Reserve Bank at New York a sum of U.S.$9,828.16 against the account of the debt to the United States incurred after the World War in accordance with the three-year plan announced last year.

Finland is the only other country to have paid.—United Press.

France Defaults

Washington, June 15.

The Department of State published today a Note from France informing the United States that France is not in a position to pay the annuities and interest due, but adds that France will consider such payment whenever a favourable decision may be rendered. The Note is similar to that already sent by Great Britain.—Havas.

American Red Cross

New York, June 15.

The American Red Cross Society today reported that it had failed to reach its mark set in the drive for funds for the relief of Chinese civilians, by U.S.$250,000.

The group more than a month ago reiterated its aim to reach the million-dollar mark by June 15, but today revealed that only U.S.$750,000 were in hand.

The Society originally hoped to reach the million-dollar goal within the first few months of this year but the response proved weak.

President Roosevelt then made an appeal for more contributions, extending the closing day of the drive to June 15.

Contributions poured in steadily after the President's message, more than U.S.$500,000 being donated in three weeks but despite this strong response the hopes to attain the set figure failed.

Within recent weeks, the Red Cross Society has been the recipient of numerous requests for funds from organizations in China because of the threat of floods and widespread illness, lack of food and medical supplies.—United Press.

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More British Ships Bombed

Nationalist Bombers Sink Two French Vessels In Raid on Valencia ; ss. Thurston Set Afire

Madrid, June 15.

DESPITE recent urgent representations by the British and French Governments, more British and French merchantsmen were bombed in Spanish waters yesterday. These were the Thurston and Seafarer, flying the British flag, and the Gaulois and the Karbear, flying the French flag. All were hit in air raids on Valencia by Nationalist planes.

Both French ships sank after being bombed, but the British merchantmen suffered only minor damage. The Thurston, however, was set on fire, but it was extinguished before it could make much headway. Nobody aboard was injured. A sailing boat was also set on fire in Valencia harbour when hit by a bomb.—Reuter.

London, June 16.

The Labour Opposition intend to raise the question of the bombing of British ships in Spanish waters, and also the bombing of open towns in Spain and China, in the House of Commons on Tuesday.

Mr. Neville Chamberlain, the Minister, and Mr. R. A. Butler, Under-Secretary of State for Foreign Affairs, will be the principal Government speakers. The leading Labour speakers have not yet been chosen.—Reuter.

French Ship Brisbane Again Bombed

Valencia, June 14.

A National seaplane flew over the harbour at Denia this morning and dropped several bombs. One missile struck the French merchant vessel Brisbane and caused a fire, which, however, was rapidly subdued, and there were no victims. The Brisbane had been bombed and hit on June 9.

Ships Ablaze in Valencia

Three people were killed, 21 wounded, 32 houses destroyed, and four ships were hit during the Nationalist air raid over Valencia this morning. All four ships are now blazing furnaces, but their crews escaped.—Havas.

British Warship Brings In Bombing Victims

Marseilles, June 13.

Coming from Alicante, the British cruiser, H.M.S. Penelope, brought here today two passengers and 112 sailors from British vessels sunk in Spanish ports by Nationalist aircraft. Among the ships bombed, it is recalled, were the Isadora, Thorpehaven, St. Winifred and Maria.—Havas.

McCall Pleads Guilty

Miami, June 14.

The Grand jury today indicted Franklin Pierce McCall on charges of kidnapping and murder, the maximum penalty for either being electrocution.

The 21-year-old kidnapper of five-year-old Jimmy ("Skeegie") Cash, who was found dead recently, pleaded guilty to the charge of kidnapping but innocence on the count of murder.—United Press.

Death Sentence

Miami, June 16.

Franklin Pierce McCall, 21-year-old Princeton youth found guilty of kidnapping five-year-old Jimmy Cash who was found dead recently, was today sentenced to death by electrocution.

Circuit Court Judge H. F. Atkinson, who pronounced sentence on the youth, left the date of the electrocution to be set by Mr. Fred P. Cone, Governor of Florida.

The electrocution would be carried out in the week of June 26, it was believed. There was a possibility of delay, however, because of McCall's family's request for an appeal.

Mr. C. A. Avriett, attorney for the kidnapper, announced that he would appeal to the State Pardon Board.

McCall was found guilty of kidnapping the little Cash boy but not of murdering him. McCall admitted he had abducted the son of Mr. James Cash, wealthy local oil dealer, but denied that he had murdered him. He said the boy had died soon after he had carried him off.

Despite the death of the boy, McCall demanded a ransom of U.S.$10,000 which was delivered, but he was captured by G-men and the money recovered in full and returned to Mr. Cash.—United Press.

THE Norwegian Parliament has passed a bill providing that women may be employed in the civil service under the same conditions as men.

Vice-Adm. L.G.E. Crabbe Retires at Own Request

London, June 17.

Vice-Admiral L. G. E. Crabbe, former Rear-Admiral and Senior Naval Officer of the British Yangtze Patrol, has retired at his own request, his retirement taking effect as from today.

Rear-Admiral D'Oyly Lyon, who was appointed Commander-in-chief of the Africa Station as from February 19, 1938, has been promoted Vice-Admiral, his rank also taking effect as from today.

Rear-Admiral Crabbe, who held the decorations of C.B., C.I.E., and D.S.O., and the Navy Cross of the American Navy, assumed command of the Yangtze Patrol in October, 1935, and was succeeded by Rear-Admiral Reginald Vesey Holt at the beginning of this year.

President Roosevelt recently signed the Bill, passed by the Senate on May 6, authorizing the award of the Distinguished Service Medal and the Navy Cross to four British naval officers "for courageous action" in the bombing of the U.S.S. Panay by Japanese aeroplanes on December 12, 1937. Vice-Admiral Crabbe was one of those awarded the Navy Cross.—Reuter.

Indo-China Subscribes To Defence Loan

Saigon, June 13.

The Treasury and national banks are receiving large sums in subscriptions to the national defence loan of 33,000,000 piastres which is now being collected after an appeal by the Governor-General.

More than 1,000,000 piastres were subscribed during the first three days the lists were open. Before that, the public was told of the loan by official notices, through the Press, radio and cinemas.

This loan will assure the security of Indo-China and will mark the first time that this French possession collaborates in aiding France to establish its defences. French colonies in general will aid Paris in the future as it was recently decreed that French possessions should be responsible to a certain extent for their own national defence.—Havas.

Fraudulent U.S. Silver Sellers Seized

Denver, June 12.

Secret service agents of the Treasury Department today seized the records of the Colorado Smelting and Refining Company and arrested four officials in connection with the fraudulent U.S.$60,000 sale of recalled silver to the Denver mint under the pretext that it was newly mined metal which carries a premium of U.S.$.30 an ounce.

Held under arrest were Mr. Theodore Swisher, general manager, Mr. Hyman Freed and two employes, Mr. Holland Seymour and Mr. Clarence Gibson.—United Press.

Admiral Little Created Lord Commissioner

London, June 14.

Admiral Sir Charles Little, formerly Commander-in-Chief of the British China Squadron, has been appointed Lord Commissioner of the Admiralty, and Chief of Naval Personnel, in succession to Admiral Sir M. E. Dunbar-Nasmith, as from September 30.—Reuter.

Br. Air Attache to Siam

Bangkok, June 14.

Wing-Commander A. G. Bishop has been appointed Air Attache to Siam. Britain is thus the first Power to possess accredited military, naval and air attaches in Siam.—Reuter.

U.S. Wages-Hours

Washington, June 12.

The House and Senate Conference Committee today ended a ten-day deadlock on the hotly disputed Wage-Hour Bill by agreeing on a flexible measure of 40-cents-per-hour wage and the forty-hour week to be effective within seven years.

The Bill will be reported to both Houses on Tuesday.

The final enactment of the Bill would be a signal victory for the Southerners who promised to co-operate in rushing the Bill to enactment.

Provisions of Bill

The Bill would provide:

1.—A wage of 25-cents-an-hour for the first year and 30 cents for the second year.

2.—A 44-hour week for the first year, 42 for the second and forty for the others.

3.—An Administrator under the Labour Department would appoint industrial boards similar to the N.R.A. to recommend exemptions.

4.—The boards would attempt to achieve the 40-cents-an-hour wage within seven years, but they would be empowered to exempt indefinitely as they saw fit.

5.—The Bill would outlaw child labour under fourteen years of age in industries engaged in inter-state commerce.

6.—It would apply to all inter-state industries except specific exemptions.

7.—It would specifically exempt executives, professionals, local retail establishments, salesmen, seamen, aviation and fishing industries, agricultural workers, weekly and semi-weekly papers with circulation under 3,000, street cars, local buses and dairies. It would exempt children temporarily engaged in agricultural enterprises if they would legally not be required to attend school, and also child actors.

8.—It would require payment of time and one-half for overtime except in specific exemptions.

While the Conference Committee did not provide the boards with funds, Senator Elbert D. Thomas, Democrat of Utah and Chairman of the group, believed the sum for initial expenditures would be obtained from the Labour Department's Contingency Fund pending the passage of an appropriation bill.

Senator Thomas believed that the measure was the "most important change in the Federal system" since the Social Security Act.

He said he thought President Roosevelt would appoint a temporary administrator pending the next session of Congress because the appointment requires Senatorial confirmation.—United Press.

Wage-Hour Bill Passed

Washington, June 14.

President Roosevelt today emerged triumphant in his two-year fight for wage-hour legislation, the key of his social reform programme, when the Senate completed all action on the Wage-Hour Bill and sent it to the White House for signing.

The version of the bill sent to the President, however, has been emasculated by the amendments of the Southerners, strong opponents of the measure. The Bill will become effective 120 days after it will be signed.

It calls for a 25 cts.-per-hour wage and a 44-hour week during the first year, reaching 30 cts.-per-hour and a 40-hour week within three years, after which industrial boards will fix the 40-40 scale of 40 cts.-per-hour in a 40-hour week.

The industrial boards, similar to the N.R.A., will adjust the 40-40 scale according to sectional economic conditions, excepting such industries proving that the wage scales would be a hardship.

The Senate accepted the report on the bill from the Conference Committee of the two Houses by a voice vote.—United Press.

England-Australia Flying Boat Route

London, June 13.

The Air Ministry announces that the last section of the new Empire flying-boat route from England to Australia is to be inaugurated on July 2, when the first Quantas Empire Airways flying-boat leaves Singapore for Sydney.

The machine is expected to arrive in Sydney on July 5. At first, only surcharge mail will be carried, but within a few weeks "all up" mail to Australia will be entrusted to this service, thus completing the Empire air mail scheme over the England-Australia air route.—Reuter.

Labour Leaders Freed

SPECIAL TO THE "N.C.D.N."

Kingston, June 16.

The Crown case against Bustamente and Grant, two Labour leaders who were arrested after the recent outbreak of riots, and charged with sedition, has been withdrawn, on condition that they undertook not to disturb the peace. Both men have been released.

Bustamente's counsel stated that Bustamente was not guilty of sedition. He had been working constitutionally for the betterment of labour conditions, and would continue to do so, his counsel declared.—Reuter.

R.A.F. Bombing Explained

Mr. Chamberlain Tells Commons Spokesmen of Tokyo, Burgos, Often Used Distorted Views

London, June 17.

OFFICIAL spokesmen in Japan, Nationalist Spain and other countries are using the practice of "police bombing" carried out by the British in north-west India in order to neutralize the effect of protests by the British Government regarding the bombing of civil populations both in China and Spain. This was admitted in the House of Commons yesterday by Mr. Neville Chamberlain, Prime Minister, in answer to a question by Mr. Arthur Henderson, Labour Member for the Kingswinford Division of Staffordshire.

"Would it not be a splendid gesture to the world if the Prime Minister were to set an example by abandoning this practice?" asked Sir Percy Harris, Liberal Member for south-western Bethnal Green.

"No, I do not think it would be a splendid gesture," Mr. Chamberlain replied, "but if it were found that this practice, which is in the main, I think, humane, were standing in the way of a general agreement to abolish bombing from the air, we should certainly be glad to abandon it."

Mr. Arthur Henderson, in an earlier question, referred to the recent offer made by Mr. Cordell Hull, U. S. Secretary of State, on behalf of the United States, that Great Britain should join other nations in seeking an agreement to humanize the rules and practices of warfare.

Mr. Hull asked whether the British Government would make a similar offer and, "with such an object in view, announce its willingness to forego the practice of "police bombing" on the North-West Frontier of India and elsewhere."

R.A.F. Never Bomb Civilians

Mr. Chamberlain emphasized, amid cheers, that the Royal Air Force bombers were not employed on the North-West Frontier of India, or elsewhere, for the purpose of "attacking civilian populations," and "bombing was never resorted to unless at least 24 hours' notice had been given to tribesmen and their families to evacuate the areas involved."

The Premier added that H. M. Government were "aware of the observations made by Mr. Hull, and they are always ready to co-operate in seeking an agreement to humanize the rules and practices of warfare."

Mr. Chamberlain stated the British Government would not allow the question of "police bombing" to stand in the way of reaching such an agreement.

Full Day's Warning Given

Continuing his explanation of the use of R.A.F. bombers on the North-West Frontier of India, the Prime Minister said that even when bombers were used in close support of troops in action, 24 hours' warning was always afforded before bombing operations were begun, in order to enable non-combatants to evacuate the area of operations.

"These safeguards are expressly laid down in regulations governing the employment of the Royal Air Force on the frontier, and are never departed from under any circumstances," Mr. Chamberlain declared.

The Rt. Hon. George Lansbury, Labour Member for the Bow and Bromley Divisions of Poplar, who for many years had criticized "police bombing" by the British forces, brought in the question of the efficacy of the conditions described by Mr. Chamberlain.

Mr. Chamberlain, in reply, indicated that in his view the attacks on this practice which Mr. Lansbury and another member had cited clearly must be by "persons who are unaware of the conditions and safeguards which the Government imposes on the use of the Air Arm for police purposes."—Reuter.

French Deny Secret Pact With China

Paris, June 13.

Reports apparently spread in Tokyo regarding a secret agreement reached in Paris, under which France would help China financially and supply her with war material and military and technical aid, were denied in authoritative French circles today.—Reuter.

Runs Amok in Rome

Rome, June 15.

Many people were injured in the streets of Rome today when an Abyssinian chieftain, who came to Rome to attend the celebrations of the second anniversary of the Italian conquest of Abyssinia, ran amok with a drawn sword after catching sight of a gilded statue of the Lion of Judah. The statue was brought to Rome in triumph from Addis Ababa after the Abyssinian campaign. Fascist militiamen shot the man down with revolvers. He is not expected to live.—Reuter.

Sir John Reith Heads Imperial Airways

SPECIAL TO THE "N.C.D.N."

London, June 15.

Sir Kingsley Wood, Secretary for Air, yesterday informed the House of Commons that Sir John Reith had accepted the invitation to become whole-time chairman of Imperial Airways.

At the same time, the Board nominated Sir James Prince, until recently Deputy Chairman of the Ministry of Labour, as a director. His appointment will enable the company to draw on his wide experience of labour and staff questions.

Sir Kingsley Wood added that the Board had also expressed a strong refutation of the charges made in the House of Commons on May 31, and had asked the new chairman to investigate these charges, which were directed at the management of the company. When this was completed, Sir Kingsley Wood went on, it was proposed to make a public statement on the matter.

In view of the fact that the appointment of a whole-time chairman carried with it the position of Chief Executive of the company, Mr. Woods Humphrey, the present Managing Director of the company, had placed his resignation in the hands of the Board. The Board had accepted Mr. Humphrey's resignation, and had placed on record its strong appreciation of his services.—Reuter.

British Ship Master Acquitted

London, June 17.

Captain Stanley Scott, master of the British steamer Stancroft who was charged with carrying war material contrary to the "carriage of munitions to Spain act," was, according to despatches from Gibraltar, acquitted by the court there today.

The court took the view that the provisions of the Act apply solely to the transport of war material from foreign countries to Spain but not to the conveyance of such material from one Spanish port to another within territorial waters.

Capt. Stancroft transported the goods from Barcelona to Valencia.—Trans-Ocean.

Revolutionary Move

Amsterdam, June 17.

It is reported from Batavia that the police have arrested four members of the general headquarters of a native revolutionary movement and an editor of a newspaper.

Searches were carried out in several Javanese towns and important documents were seized by the police.

The Government has already twice warned agitators to restrain their revolutionary activities.—Havas.

Barnsley By-Election

SPECIAL TO THE "N.C.D.N."

London, June 17.

A by-election held in Barnsley yesterday, due to the death of Mr. John Potts, Labour member for that constituency, resulted in another Labour member, Mr. Frank Collingridge, being returned, with a total of 23,566 votes. Mr. Seymour Howard, National Liberal, obtained 13,052 votes.

In the last General Election, Mr. J Potts defeated Mr. R. J. Soper, (National Liberal) in a straight fight, polling 25,318 votes as against 17,683 polled by his opponent.—Reuter.

Norwegian Women

Oslo, June 14.

The Chamber of Deputies today passed, by a vote of 60 to 48, a bill authorizing the Government to appoint men and women to public offices on an equal footing. Heretofore, most of the Government jobs were held by men.—Havas.

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FOREIGN TELEGRAMS (continued)

U.S. Congress Adjourns

Hectic and Bitter 75th Session Concluded with Interest Keenly Focussed on Far East

Washington, June 16.

THE hectic 75th Session of Congress adjourned at 9.09 o'clock this evening after one of the most bitter sessions in its history which focussed more intensive interest on the Far East than any recent legislative session.

The Senate was the first to adjourn, but was followed closely by the House of Representatives where several last minute bills were subjected to vote after earlier approval by the Senate.

One of the last acts of the House as it neared adjournment was to pass and send to the President a bill authorizing the grant of perpetual charters to American corporations organized under the China Trade Act. The United States Chamber of Commerce had recommended the legislation on the grounds that the present charter limit of 25 years was a handicap to American companies in China when negotiating contracts.

Two Filibusters Avoided

Two threats of filibusters earlier today had temporarily halted the stampede for adjournment.

Senator Edward Burke, Democrat of Nebraska, threatened the first filibuster when he warned the Senate he would "talk endlessly" if the Senate attempted, to consider a resolution authorizing an additional $12,500 appropriation for the Senate Lobby Investigating Committee.

The second filibuster threat came from Senator Robert R. Reynolds, Democrat of North Carolina, who was furious when he returned to the Senate to find that during his absence the Senate had passed a bill admitting to citizenship all aliens who came to the United States prior to December 5, 1917. Senator Reynolds entered a motion to reconsider the bill.

"I am prepared to talk many hours on this subject" he declared.

Huge Relief Bill Passed

Administration leaders in the closing hours of the 75th session rushed action on the President's relief, trust busting and national defense programme, but both Houses disregarded the President's objections to continuation of low interest rates to farm borrowers from the Federal Land Banks.

The multi-million dollar relief programme was approved by the Senate in the closing hours of the session and will go to the White House for the President's approval after a Senate-House conference on a minor provision of the bill.

Senate and House conferees earlier came to a delayed agreement on the deficiency appropriation bill with the exception of two minor amendments on which the House is voting.

Resolutions Signed

The President meanwhile signed Congressional resolutions authorizing an extensive inquiry into monopolies and also authorized a study of the nation's phosphate resources, important in the event of war.

The President later received from the Senate a bill subjecting over-the-counter brokers to Security and Exchange Commission regulations on the same basis as members of organized exchanges.

The Senate prior to adjournment also agreed to House methods of alloting $212,000,000 in benefit payments to farmers and agreed upon a compromise providing $700,000 for rural electrification.

Interest in Far East

Interest in the Far East ran high throughout the closing session of Congress, particularly during debate in the biggest peace-time Naval bill in American history. The question of placing the Philippines inside the American Pacific defence line and including the Philippines permanently in the American national economy increased American interest in the Orient.

Temporary enthusiasm for granting immediate independence to the Philippines faded during the latter half of the session as the Sino-Japanese war elicited the widespread belief in Congressional sources that the Philippines might be menaced by Japanese territorial expansion.—United Press.

King's Gustav's 80th Birthday

Stockholm, June 16.

More than 100,000 visitors have arrived here for the national celebrations in connection with the 80th birthday anniversary today of King Gustav V, the oldest reigning monarch in the world.

King Christian of Denmark, King Haakon of Norway and Mr. Kyosti Kallio, President of Finland, were among the guests.—Reuter.

U.S. "Bowl of Rice" Parties for Funds

New York, June 16.

Two thousand cities and towns in the United States today prepared for Friday night's "bowl of rice" dinners hoping to raise U.S.$1,000,000 for China relief under the sponsorship of the United Council for Civilian Relief headed by Mr. Theodore Roosevelt.

New York police intend to rope off Chinatown for a huge carnival in which prominent New York social leaders will dine at special parties in Chinese restaurants at U.S.$6 a plate.

San Francisco made ready for similar celebrations while in Los Angeles Princess Der Ling presided at a dinner attended by many notable film actors and actresses.

In Washington a supper dance will be held at the Raleigh and ninety restaurants will feature a Chinese carnival in co-operation with the Chinese Embassy.

The American Federation of Actors in Boston has agreed to contribute a performance at the Majestic Theatre and the Sherman Hotel in Chicago will have a Chinese supper.

Similar celebrations on a smaller scale will be held in other cities and towns to raise funds for refugee relief in China.—United Press.

Message from Madame Chiang

New York, June 17.

Seven thousand New Yorkers attended "bowl of rice" parties tonight to raise money for civilian relief in China while an estimated million were believed to have participated in similar programmes in all parts of the country bringing receipts to a predicted U.S.$10,000,000.

Mr. Theodore Roosevelt, head of the United Council for Civilian Relief in China which sponsored the campaign, read a message from Madame Chiang Kai-shek outlining the tremendous relief problem resulting from war and floods.

"The woes of floods are now being added in the north to those of opium and other diabolic devices of death that the Japanese are using," the message from Madame Chiang read. "The floods obstruct our troops in outflanking the invaders and destroy fugitive Chinese to make room for the colonization of our earth by the Japanese who already are descending on our farms like locusts.

"From all directions homeless children are pouring in. For these helpless crowds we must make increasing provision."—United Press.

200,000 Attend Rice Bowl Parties

San Francisco, June 18.

Two hundred thousand Americans packed Chinatown here tonight for "Rice Bowl Parties" sponsored by American relief organizations to raise funds for civilian refugees in war-torn China.

Several tourists missed outgoing ships because of the traffic jam in Chinatown during the tumultuous rice bowl celebration.—United Press.

U.S. War Marterial Export to Japan

Washington, June 16.

The resentment of peace organizations which recently made representations to the State Department against American aid to the Japanese war machine mounted yesterday in the light of the latest figures to be made public.

These show that the United States exported in April a total of 78,000,000 lb. of copper of which approximately 32,000,000 lb. was consigned to Japan, 14,000,000 to Great Britain, and 5,000,000 to Germany.

The total of 32,000,000 lb. represents the greatest quantity of this essential war material yet to be exported to Japan.—Reuter.

OBITUARIES

Mr. Thomas L. Chadbourne

New York, June 16.

Mr. Thomas Lincoln Chadbourne, originator of the World Sugar Production Control Plan, died here yesterday.—Reuter.

Mr. F. E. Taylor

London, June 15.

The death has occurred of Mr. F. E. Taylor, former Commissioner of the Chinese Maritime Customs, at Salisbury, South Africa.—Reuter.

Mr. Herbert Smith

SPECIAL TO THE "N.C.D.N."

London, June 16.

Mr. Herbert Smith, President of the Yorkshire Miners' Federation, died in his chair today at Barnsley, the headquarters of the Federation, described as the "grand old man" of the British mine workers. Mr. Smith devoted 50 years of his life to the welfare of the miners.—Reuter.

Sir Lewis Dibdin

London, June 13.

Sir Lewis Dibdin died yesterday at the age of 85. He had been an Ecclesiastical Commissioner since 1931. He was called to the bar at Lincoln's Inn in 1876.

Chancellor of the Diocese of Rochester from 1886-1903, Sir Lewis later held the positions of Chancellor of the Diocese of Exeter, and of Durham. He was counsel to the Attorney-General in charity matters from 1895-1903, and Dean of the Arches, Auditor of the Chancery Court of York, and Master of the Faculties from 1903 to 1934. Sir Lewis was Vicar-General of the Province of Canterbury from 1925-1934, First Church Estates Commissioner from 1905-1931, Member of the Royal Commission on Church Discipline from 1904 to 1906, and on Divorce from 1909-1912.—Reuter.

Sir George Richardson

Auckland, June 13.

Major-General Sir George Spafford Richardson, K.B.E., who had been on the retired list of the New Zealand military forces since 1932, died here yesterday. He began his career as a private, and was Instructor and Director of Artillery in New Zealand from 1691 to 1911.

Posted to the Staff College at Camberley in 1912, he was attached to the Imperial General Staff at the War Office in 1913. He was New Zealand Representative at the War Office in England in 1914, and served throughout the Great War, three times being mentioned in despatches and was awarded the C.M.G., C.B., and C.B.E., and the decorations of the Legion d'Honneur and the Croix de Guerre Belge.

Major-General Richardson was General Officer in charge of the Administration of the Defence Forces in New Zealand from 1919 to 1923, and Administrator of Western Samoa, under the mandate conferred on New Zealand by the League of Nations, from 1923 to 1928.

He represented New Zealand at the League of Nations Assembly at Geneva in 1928.—Reuter.

Lady Muriel Paget

London, June 16.

Lady Muriel Paget, the founder of the British Subjects in Russia Relief Association, died here today.

Only a few days ago, on the occasion of the King's Birthday, she was made a C.B.E. (Commander of the Order of the British Empire) in recognition of her welfare and charitable work in various foreign countries.

During the mass treason trial in Moscow last March, M. Rakovsky, former Soviet Ambassador in London and one of the defendants, accused Lady Muriel Paget of having worked for the British Intelligence Service in Russia. She emphatically denied the story, however, saying that M. Rakovsky's statement was part of a plot to get rid of the influence of the British Subjects Association in Russia.

Lady Muriel Paget took an active part in the despatch of medical supplies to China for the relief of victims of the hostilities. She devoted her life to the alleviation of suffering, particularly in Northern and Central Europe, and was one of the few foreigners who could travel alone throughout Russia.—Reuter.

Prof. William A. Bone

London, June 13.

Professor William Arthur Bone, authority on chemical technology, died here yesterday at the age of 67.

He was a Professor of Chemical Technology at the Imperial College of Science and Technology, and in London University and was a Research Director of the Bone Research Association.

Professor Bone was appointed head of the Chemical Department at the Battersea Polytechnic, London, in 1896. He was Lecturer in Chemistry and Metallurgy at Owens College, Manchester, from 1898 to 1905, Professor of Applied Chemistry, and First Livesey Professor of Coal Gas and Fuel Industries, Leeds University, from 1905-1912.

Professor Bone held the position of Chief Professor and Head of the Department of Chemical Technology at the Imperial College of Science and Technology, London University, from 1912 to 1936.

He was created a Fellow of the Chemical Society in 1893, honorary member of the Institution of Gas Engineers, of the American Gas Institute, in 1912, of the Institute of Fuel (1936), and of the Iron and Steel Institute (1937).

He was awarded the Howard Potts Gold Medal by The Franklin Institute, Philadelphia, for his scientific discoveries, and inventions in Surface Combustion, in 1913.

Professor Bone was a medallist of the Royal Society of Arts for his work upon brown coals and lignites, Melchett Medallist of the Institute of Fuel, medallist of the Society of Chemical Industry and Davy Medallist of the Royal Society.—Reuter.

Stanislaus Car

Warsaw, June 18.

Stanislaus Car, former president of the Sejm (parliament) and one of Marshal Joseh Pilsudski's closest collaborators, died today. He was author of Poland's 1933 constitution.—United Press.

Senator Royal S. Copeland

Washington, June 17.

Senator Royal S. Copeland, Democrat of New York, died today.

The 69-year-old physician-politician collapsed shortly after the adjournment of Congress yesterday and his condition became rapidly worse. Despite all efforts to save him he died from what was believed to be kidney ailment which was aggravated by overwork.

Famous in his younger days as a staunch supporter and leader of all public health programmes, Dr. Copeland in later years gained more prominence in the Senate, especially as a critic of the New Deal policies.

He often refused to fall in line with the Democratic Party's leadership on Senate legislation. He was one of the few Democratic Senators who opposed President Roosevelt's plans to enlarge the Supreme Court in 1937.

Rise of Farmer's Boy

Dr. Royal S. Copeland, a native of Michigan, was born on a farm near Dexter, Mich., on November 7, 1868, and so from his earliest years he was interested in farmers and their problems, although later in life he was a resident of America's most populous city.

As a boy he attended the public schools and was graduated from the Dexter high school, and afterward attended the Michigan State Normal College and the University of Michigan, from where he received the degree of Doctor of Medicine in 1889. He later received the degree of Master of Arts from Lawrence University, Doctor of Laws from Syracuse University and Oglethorpe University, Doctor of Science from Temple University. He was a Fellow of the American College of Surgeons. After an internship in the University of Michigan Hospital and five years in general practice and postgraduate work in Europe, Dr. Copeland was appointed professor in the University of Michigan Medical School.

Entry into Politics

While a resident of Ann Arbor, and when he was only 33, Dr. Copeland became mayor of that city.

In 1903 the national medical organization made Dr. Copeland its president, and in the same year he became dean of Flower Hospital Medical College, New York, in which position he served for ten years. When the United States entered the World War, he organized hospital unit "N." In 1918 he was appointed commissioner of health of New York City, a post he filled for five years.

During Dr. Copeland's administration as Health Commissioner there occurred an influenza epidemic which swept the country. When the epidemic had passed, New York City emerged with the lowest death record of any large city in the world.

Election to Senate

Dr. Copeland was elected to the Senate in November, 1922, by a plurality in excess of 280,000 votes. He was re-elected in 1928 and 1934. As a Senator he gave expression to his training as a physician and to his knowledge of sanitation problems.

In addition to his campaigning for improvement of sanitary and public health conditions, Dr. Copeland took a leading part in the nationwide movement for elimination of juvenile delinquency.—United Press.

U.S. Express Train Disaster

Centre Span of Bridge at Miles City, Montana, Gives Way as Olympian Crosses; 100 Dead

Miles City, Montana, June 19.

RESCUE workers tonight feared 100 persons lost their lives when the express train, the Olympian, on the Chicago-Milwaukee-St. Paul run, plunged into the swirling waters of Custer Creek as the railway trestle crumbled under the weight of the train.

The engine had reached the opposite bank before the bridge's centre span, weakened by rushing flood waters, gave way dropping four cars into the muddy river bank, twenty miles east of this city. The pull of the falling cars was such it jerked the engine backwards although at the time the engine had been roaring ahead under full steam.

Forty bodies had been recovered from the wrecked train this evening and 33 were known definitely to be missing as railway gangs with acetylene torches cut into the partly-submerged sleeping car to remove 27 bodies. Only three cars remained on the tracks as the locomotive, baggage car, mail car, four passenger cars and the sleeper crashed into a ditch beside the rails.

Custer Creek, swollen by a sudden cloud burst, was flowing so swiftly that the body of one woman from the train was reported to have been washed eighty miles downstream shortly after the wreck.

Miss Evelyn Bratiud of Minneapolis describing the wreck said, "the jerk woke me, but I wasn't afraid until I raised the curtain and saw water beneath the window. I foolishly waited to gather my clothes. Everyone was calm and all were evacuated from the car in a few minutes. Minutes later the car toppled into the water."

The hero of the disaster, a porter, Mr. Lewis Williams, helped survivors from the cars after smashing windows on the exposed side.

Mr. C. S. Franke, President of the American Furnace Company of St. Louis and passenger on the train, said the passengers "displayed coolness and no signs of hysteria. The train men did splendid work."

Railway gangs and volunteer workers were continuing efforts to recover bodies from the cars under the glare of searchlights rushed to the scene. Efforts were being made to raise a tourist car submerged in the mud in which twenty to thirty persons were believed to have been killed.

Injured passengers were taken to Miles City and arrangements were under way to remove the bodies of those killed. It was feared that many of the dead had been washed far down stream and would not be recovered for some time.

The thick mud on both banks of the stream was hindering rescue operations as the swinging red lanterns of railway workers and the glare of welding torches indicated steady progress of the rescue crew in cutting into the steel cars. Railway officials were en route to the scene to investigate the crash in which the engineer was apparently unaware of the weakened condition of the bridge.—United Press.

A TREATY of commerce and navigation between Italy and Manchoukuo is expected to be formally signed on June 21 or 22.

H.M.S. Ringdove, a small coastal minelayer, will be launched from the works of Henry Robb, Limited, at Leith on June 15. The Ringdove is to proceed on completion to Hongkong. She is a sister-ship to the Redstart, launched in April.

THE office of Sr. Quintin Paredes, Philippine Resident Commissioner in Washington, has received orders from Sr. Manuel Quezon, President of the Philippine Commonwealth, directing that four Filipino graduates of West Point be attached to the Commissioner's staff while taking a graduate training course at Fort Belvoir, Virginia. The detachment will be headed by Captain Jaime Velasquez and Lieutenant Antonio Chanco.

FORGOTTEN anniversaries connect 1862 and 1938; for it was on May 6, 1862, that Lord Frederick Cavendish, whose nephew, the Duke of Devonshire, has just died, and Mr. Thomas Henry Burke were murdered in the Phoenix Park, Dublin, after the former had been sworn in as Chief Secretary for Ireland. The 1938 date coincides with the passing of the Anglo-Irish Treaty in the House of Commons and in the Dail, and will probably be momentous in Irish history.

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FROM THE FOUR WINDS

U.S. Economic Situation

Grave Conditions in Spite of Expenditure of $15,000,000,000 by the Government

BY ARTHUR SOPHER

Five crowded years of enthusiastic effort and toil and $15,000,000,000 of good national money have not been able as yet to put America's economy together again.

The ghastly truth is that the devoutly-hoped-for deliverance has not come, and there is apprehension that worse is yet to be. The moment calls for more courage and greater fortitude than at the dramatic outset of Roosevelt's first term in March 1933. The great President, in the fate of that dark hour, with his winning personality, did set a new and bold attitude for the whole nation. This dynamic political leadership gave the main body of the people at once a sense of Providential security.

The double term has almost three years yet to go. Within that period the Roosevelt régime must demonstrate whether or not it can bring about the wished-for economic salvation.

America's Future of Concern

America's future is not only of concern to every citizen in the United States but to people in the world at large, and, in particular, to all out here in China. It is, therefore, of much interest for the reader to understand, and to be kept posted with, the important economic changes that are in process there.

Fortunately, freedom of speech in that New World permits of mental light being thrown on the problem by many men of first-rate intellect and long experience. Their labour and brainwork is at the disposal of the layman, who should give close application to the findings to receive some valuable counsel as regards the present and guidance for the future.

Going to the meat of such research, it is to be learned that the flood of Government measures that have issued forth, ever since the Democratic party won popular support, have been based on a certain theory, namely, that crises are caused by the failure of aggregate consumer power to keep pace with aggregate production, thus causing depressions, as they claim. And from this the conclusion is made that the remedy for depressions is to augment consumer purchasing power by increasing Government spending.

Increased Borrowing

The corollary is that the addition to Government expenditures must not be through increased taxes but through increased borrowing because if the Government distributes the proceeds of taxes it does not add to purchasing power, since the people so taxed have had their purchasing power accordingly diminished. Whereas, if the Government borrows newly-created bank credit, it actually expands purchasing power by its spending. The reason is that bank credit is a form of inflation. In this case of newly-created bank credit, it means that the quantity of money could be multiplied many times, by artificial means, and should failure occur, the losses would be correspondingly magnified.

The American Government has applied this theory, of adding to consumer purchasing power by Government spending, to no success up to the moment, and the people are asked now to put a further audacious stake upon this theory. In the opinion of a foremost American banker, Mr. Winthrop W. Aldrich, chairman of the Chase National Bank of New York, the adoption of this course means the risking of national solvency, jeopardizing the credit of the Government, and endangering the future of American currency. He says that the people are today facing, therefore, the gravest economic, financial and social convulsions if it turns out that the theory is wrong.

Now, very much depends upon the soundness of the theory. Mr. Aldrich says that it is an idea drawn from the teachings of the socialists. It is the theory of crises presented in crude form by Karl Marx, and subsequently elaborated by later writers influenced by him.

The Marxian Doctrine

The doctrine of Marx is that working people produce more than they receive in wages, and, therefore, cannot buy back all they produce—the "surplus value" going to the owners of land and capital goods and thus causing periodical gluts of over-production. But critics of Marx have pointed out that buying power does not come only from the labourers, and that the owners of land and the owners of capital goods are also consumers.

With regard to buying power and the notion of over-production, it is to be realized that the full buying power to buy all that is produced is derived completely from the labourers, employers, land owners, retired capitalists and other recipients of income collectively, who, together with the Government as tax-gatherer, receive all of the income from production.

As the economist Cairnes puts it, every commodity may be looked upon as supply or as demand, and, in the aggregate, supply and demand are not merely equal but they are identically the one and the same thing. Therefore, the notion of a general over-production, that is, an over supply of every kind of article or service is impossible, since buying power, being the obverse side of it, increases as production is increased.

Maladjusted Production

What then, Mr. Aldrich asks, is meant by over-production that has a rational meaning? Merely this—that there can be maladjusted production. There can be too much of some things and too little of others produced. There can be over-production in particular lines, but not a general all-pervading over-production. What happens when errors of this kind occur, is that the products of the particular things that are over-produced have to go very low in price, and then these producers in the over-worked field find their capacity to buy cut so heavily that they are obliged to stop or considerably diminish buying the goods they usually need and which are created by other producers, who in turn come to have unsold goods on their hands also. It is then that what looks like a general over-production happens, though it is to be remarked that in such a time actually less is being produced than is ordinarily the case.

Now, such troubles are usually got out of quickly enough, if prices, wage rates and other rates of exchange, are left flexible and free. As Mr. Aldrich elucidates, with free competitive markets, a slight over-production in a particular line shows itself quickly in falling prices, and under-production in another line reveals itself speedily in rising prices, and these price changes induce the increase of production in the line where production is inadequate and diminish production in the line that is being overdone. New capital goes to the lines where the prices are rising and labour shifts from the overdone field where production is decreasing to the lines where production is increasing.

Freedom of Markets

Driving to a pointed conclusion, if there is interference with the freedom of the markets, from any cause whatsoever, whether by private monopoly or by governmental policy, readjustments are retarded and periods of depression are prolonged.

Based on the Marxian consumer demand notion, the American Administration tried to increase consumer demand by directing the whole course of their policy toward increasing consumer income and diminishing savings for investment purposes for the creation of new capital and for the maintenance of existing capital. On the one hand, the Government entered into vast relief expenditures, soldiers' bonus payments, agricultural benefits, N. R. A. increase in wage rates, and other policies aimed at the direct increase of consumer demand, whilst, on the other, the nation has had a wide range of policies which inhibit the growth and utilization of capital.

"Progressive income taxation running to heights unmatched in any other country has made a startling reduction in the capital created by those in income brackets above U.S.$15,000. The undistributed profits tax had dealt a deadly blow to corporate savings. The high taxes, moreover, have created a great shift from investments in industry to investments in non-productive tax-exempt securities. Moreover, the efficiency of the markets through which investment funds pass from investor to industry has been impaired. The funds available for new capital have been greatly reduced. And the demand for new capital has been greatly restricted by the apprehensions which businessmen have had regarding the future, so that they have preferred generally to use existing plant and equipment rather than to expand, or even, in many cases, to replace obsolescent machinery. There has been great impairment in the industrial capital of the country in recent years."

Decline of Capital

Statistics from the National Bureau of Economic Research reveal, on the subject of "National Income and Capital Formation 1919-1935"—a report prepared under the direction of Dr. Simon Kuznets—that business capital declined $16,000,000,000 during 1931 to 1935. The arrears in the maintenance of residential construction is very great, the capital embodied therein showing a decline that aggregated to about U.S.$8,000,000,000. In the capital goods industries construction remained deeply depressed.

It is the belief of the Chairman of the Chase Bank that the over-production theory of crises is not justified either in the Marxian form or the more sophisticated one in which it is found in the works of some of the later economic writers. Certainly, justification cannot be found for the theory in the actual facts of the current depression. This being so, he earnestly submits that the nation desist from adding thousands of millions to their already excessive, overburdened public debt for the purpose of increasing consumer purchasing power.

The big thing is to remove the clear mistakes that have been made (as has been shown to be the case with the undistributed profits tax and the high rates in the tax on capital gains) and adopt a frank reversal of policy as these "backward" steps are essential and constitute progress rather than retrogression.

What is needed at the present time is a prolonged period of quiet, not a three to six months' breathing spell but a two or three years rest during which both Government and business can consolidate, modify and assimilate what has already been done, and during which also it will be possible to study quietly the basis of further reform.

Mr. Aldrich eloquently exhorts his Government to pause now from its fast pace, and at points even to retreat, and to let business adjust itself to the whirlwind changes that have already taken place. He has proved that there exists a vast arrearage in the production of capital goods, deferred maintenance, appalling obsolescence and a need in many lines for great expansion. If men can look ahead and make far-reaching industrial plans with assurance of stability in Government policy, great capital outlays will inevitably ensue. This will not cost the Government money, but, on the contrary, will create new income out of which the Government will be able to raise additional taxes, which it is devoutly to be hoped will be used for the reduction of public debt.

Touching all this to a finality, we would say that, in view of the American political leader's genius for bold experimentation, he may, during this 3-year ending period, strike that happy solution which could, by a nicety of discretion, meet both the claims of social conscience and business individualism.

German Himalaya Party

Berlin, June 13.

The German Expedition to the Himalayas which is attempting to scale Nanga Parbat, succeeded in advancing on Rakiot Glacier to Camp Two, which is situated on the ice pack.

This brief despatch was received only today, coming shortly after the disheartening report that the British mountaineers who were trying to climb Mt. Everest, had had to give up their attempt.—Havas.

Supplies by Plane

Munich, June 17.

A Junkers plane chartered by the German Himalaya expedition made its second flight to Nanga Parbat yesterday. It flew over the mountain at a height of 6,300 metres and made a circle over the spot where exactly one year ago seven German mountaineers and nine porters were engulfed by an avalanche of ice. It is planned later on to drop supplies at this spot for the erection of Camp No. 4. On this occasion, the machine dropped 7 cwt. of supplies over the main camp and then returned to its base at Srinagar.—Trans-Ocean.

The "Otello Cavara Prize", Italian equivalent of the Pulitzer Prize, has been awarded to Sig. Luigi Barzini, Jr., correspondent of the "Corriere Della Sera" on the Sino-Japanese front. The unusual feature of the award is that the jury this year, instead of giving the prize for a piece of literary work, it was given for an episode in journalistic life. Sig. Barzini receiving it for heroic conduct pboard the U.S.S. Panay, when under fire he nobly rendered assistance to his dying comrade Sig. Sandro Sandri, with no regard to his own safety.

M.P.'s Hear China Address

Mr. H. J. Timperley Points Out That Britain Fast is Losing Prestige Among Chinese

BY O. M. GREEN
(Editor, "North-China Daily News" 1911-1930)

London, May 15.

Mr. H. J. Timperley, who needs no introduction to Shanghai, gave an extremely able address at the House of Commons on Wednesday to about 120 M.P.'s of all parties, on the war in China. His manner of speaking was exactly right for such an audience—no oratorical flights, which members thoroughly distrust (as one M.P. once said to me "They know too much about that sort of thing") a little hesitating but not unpleasingly so, and full of facts.

He began by showing some of the films which had been taken during the fearful weeks after the Japanese capture of Nanking. These were necessarily rather fragmentary; no amount of foreign citizenship would have saved the photographer if he had been caught; but some of the pictures, particularly of wounded women, were so horrible one could hardly look at them.

Mr. Timperley spoke frankly as a partisan of China's. No one blamed him for that. His great argument was that Great Britain was steadily losing prestige in China by non-resistance to Japan and by failure to support the Chinese, who felt with justice that they were fighting Great Britain's cause as well as their own; and he asked his audience to consider what would be the effect on British interests in China after the war if the Chinese felt, as they were inclined to feel now, that Russia was the only power who had given them any solid help.

In fact, Great Britain, not for the first time, seems to be the whipping-boy for everyone. She is blamed by the Chinese for not helping them enough, and by the Japanese for helping China too much. One may query the wisdom of trying to sit on fences. But to the main point, there are distinct indications that our Government is tending to take a good deal firmer attitude in China than it has yet done.

Chinese Students Receive Degrees

The list of Chinese on whom degrees were conferred at London University's Presentation Day in the Albert Hall this week contains some interesting records, including eleven Ph. D.'s, six of which were won by Indemnity scholars.

Of these Mr. Chang Wen-tsai had distinguished himself by first-class work at the East Malling Research Station: before ever he came to England he had done much to improve the orange crops of South China.

Mr. Wu Chi-yuen, another Ph. D., was reckoned the second best student of this year at the London School of Economics. And Mr. Peng Shu-ling another Indemnity scholar, got his Ph. D. in chemical technology on only two years' work. Yet another Ph. D. is Mr. Liu Fah-hsuen, one of the two fishery experts sent by the Ministry of Industries.

Of the two ladies, Mrs. Yuen Tang, formerly lecturer at Tsinghua University (M. Sc. statistics) and Miss Chao-yueh Tseng (M. A., Courtauld Univ. of Art and distinction in archæology), Miss Tseng's name is interesting as she is the great-granddaughter of the famous viceroy Tseng Kuo-fan, and thus must be a niece of the Miss Tseng, who after being educated at Westfield College, went back to devote her fortune and life to running the well-known college for girls at Changsha. They are a scholarly family.

More China In London

Mr. C. D. Pearson who arrived home a fortnight ago has been in London this week. He looks very well in spite of what must have been very trying times during the war round Shanghai. To hear him talk one might think he had rather enjoyed it, as I really believe he did.

Mr. Chang Su-lee, warden of China Institute, gave a big tea party on Wednesday to introduce about 70 Chinese students to Sir Hughe Knatchbull-Hugessen and Mr. Prédeaux-Brune who got home recently. I could not go as I was booked for Mr. Timperley's talk at the House, but Mr. Chang told me afterwards that Sir Hughe was now looking very well, and spoke with warmth of his feeling for China. I understand that Sir Hughe is now working at the Foreign Office.

Between Sir Alexander Cadogan, Sir Hughe Knatchbull-Hugessen and Mr. R. G. Howe, now in charge of the Far Eastern Department, the F. O. certainly should have a pretty clear insight into all the rights and wrongs of the Far East. This is certainly not to suggest that it would not always be fully informed by its representatives on the spot.

The London County Council, or rather its underwriters, have got badly stuck with the £10,000,000 3½ per cent. loan offered at 101½ for subscription this week. No more than £50,000 was taken up by the public. They have been four L.C.C. loans since 1935, each of £10,000,000. Of the first two the underwriters had to take up 55 per cent., of the third, issued eleven months ago, 89 per cent. and now 95½. Considering that 3½ per cent. is considered pretty good interest nowadays, and the enormous amount of idle capital there is about, as shown when anything the public really fancy, comes into the market, the failure of these loans particularly of the last two, is conspicuous.

The London County Council, under socialist administration, is not popular with people who have money to lend. It is thoroughly unpatriotic, disbanding cadet corps and refusing the use of buildings for any purpose even most remotely associated with soldiering; it is believed to be wasteful, and it certainly has sent up rates all over London.

But more than this, municipal expenditure throughout the country has been going up by leaps and bounds, infected by the example of the Government's enormous budgets, and rates in proportion. Several municipal loans have been floated in the past few months, and undoubtedly some of the expenditure, on gargantuan municipal buildings for example, is quite unjustified. So the private individual with a bit to invest feels that something must be done to show the bumbles that he disapproves of them.

Leader Writer's Death

The death of Lan Colvin at the early age of 61 is felt as a personal loss by many people who never knew him, just as they feel a sense of loss in the disappearance of the "Morning Post," of which he was chief leader writer from 1914 till its absorption by the "Daily Telegraph." Whether you agreed with him or not, his leaders were the best thing in the daily Press, masterpieces of terse, trenchant sardonic comment.

He hated the Northcliffe papers; but once, obliged to take the same line with them he wrote "We would not deny some usefulness in the Northcliffe Press. Like the loud, vulgar gabble of the geese at Rome, it may arouse citizens to a sense of their danger." And again of the policy of Mr. Ramsay MacDonald and Sir John Simon: "But can we expect of a Prime Minister whose head is in the air, and a Foreign Secretary whose heart is in his boots?"

There was nothing like Colvin's leaders, and nothing like the fine literary flavour of the "Morning Post," of which nothing remains now but the name printed in small type on the front page of the "Telegraph." Perhaps he is glad now that he did not long survive the paper which no offer could induce him to leave.

Cambridge Distinction Won by Chinese Twins

London, June 17.

Twin Chinese brothers, Messrs. Hsi Yu-chung and Hsi Yu-ho, who are studying at Trinity College, today passed the second part of their economic Tripos at Cambridge with second class honours. Both are sons of the manager of the Central Bank of China at Shanghai.—Reuter.

DESPONDENT over his poor health, Dr. William Campbell, 76-year-old former president of the University of California and former director of the Lick Observatory, plunged to death on June 14 from his San Francisco apartment, four floors above the alley where he fell.

THE Swiss Federal Council has approved by a vote of 115 to 47 the introduction of a defence tax, the proceeds to be used for redeeming loans incurred for purposes of developing national defence. The tax may be levied on property or income or both and war profits are also liable to taxation.

RESPONDING to an invitation from Britain the Japanese Government has decided to participate in the International Whaling Conference in London. Mr. Yoshio Muto, secretary of the Japanese Embassy in London, and Mr. Hideo Omura, official of the Ministry of Agriculture now in London, were named delegates.

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FROM THE FOUR WINDS (continued)

Crossing Russia by Train

Accommodations Poor and Tourists Charged High Prices; Moscow Fast Being Modernized

By W. Lewisohn

This is the seventh time that I have done the trip via Siberia, and each time it seems to get a little worse than the last. I did it first in 1910 in the "unregenerate days" of Russia, and that was most comfortable of all.

Nowadays, the journey starts off badly from the beginning. There is a through train that leaves Peiping at the unearthly hour of 5.30 a.m., getting to Mukden the same night, thus avoiding a night on the train. It is, however, a doubtful advantage, for at Tientsin the train is invaded by crowds of Japanese, and we were four on one side of a first-class compartment for the ensuing fifteen hours. Nor is the restaurant-car at all improved, although these trains are run by the S.M.R.

The Japanese are pouring into North China these days, for obvious reasons, but, curiously enough, they also seem to be streaming out again in almost as large numbers. What is behind all this rushing to and fro is not so clear. Looking for jobs and business, say some people; and when they find their hopes disappointed and that all the glowing accounts they have heard in Japan are false, they have to leave again. In contrast to former days, no Chinese were to be seen at all in the first or second-class carriages. The wealthier Chinese who used to travel so much have all disappeared.

New Harbin Hotel Good

In Manchoukuo, too, the Japanese seem to be always moving about. When I went next day to the station at Mukden intending to travel by the Asia express, I found that they were selling no tickets, as it was booked up, and only managed to get one of the last vacant berths on the night train. At Harbin, where one has to spend a night, the former very inferior hotel accommodation has been greatly improved by the opening of the Yamato Hotel in the building of the old Russian Railway Club.

The train leaves Harbin about eleven in the morning and reaches the frontier at Manchouli 24 hours later. Here one has to undergo a double dose of Customs and passport examination: first at the Japanese—I mean Manchoukuo—station of Manchouli, and then, after a wait of several hours and a short run to Otpor, the Russian frontier, one goes through the same process all over again, and in an intensified form.

One's luggage is searched with extreme thoroughness, everything is turned topsy-turvy, one's camera is carefully sealed up, every cent of money carefully noted down, while all books, maps, photos and documents of any kind, in fact every scrap of paper, is removed and put aside for separate perusal. This, however, is really a pure bluff, for it was quite clear that the gendarmes who pretended to read through the documents, were quite ignorant of any foreign language.

Otpor Luggage Arrangements

The luggage arrangements at Otpor have deteriorated. On former occasions there was a fixed charge of 40 kopeks per package, and the head porter gave one a charge slip which one paid at the ticket-office. Nowadays there are only two porters for all the passengers. These hold you up with exorbitant charges, as much as two roubles per piece, and if you object to paying, they refuse to put your luggage back on the train. However, there is plenty of time. And several of us simply carried our luggage back ourselves, so that the porters got nothing at all for their pains. But doubtless they are compensated by the sums they extract from the passengers who do pay up.

There is plenty of choice of accommodation on the Siberian express. There are 1st and 2nd category, which correspond to 1st and 2nd Wagons Lits. Indeed these are actually the original Wagons-Lits cars that were confiscated by the Soviet government after the Revolution. They have certainly worn very well, for they must be over 30 years old and still look as good as new. The only difference between the 1st and 2nd of this class is that the latter has no private washing-place between two coupés. Then there is soft or hard category of the Russian train which correspond to our 2nd and 3rd class, but, of course, there are no such things as classes in the Soviet paradise.

Many Officers on Leave

There were only seventeen through passengers on the train when it left Otpor, but it soon filled up and continued so for the rest of the way to Moscow. A large number of the passengers were officers of the Siberian Army returning to Russia on leave. In order, no doubt, to show their freedom from class prejudices, the railway people put persons of the peasant class in the 1st Class Wagons Lits, a luxury to which they were obviously quite unused.

The catering arrangements I found not very good. One can buy together with one's railway ticket a book of meal tickets entitling one to three meals a day in the restaurant car for seven days. I thought the food poor: the bread is soggy, coffee undrinkable—not coffee at all, but some substitute—and the tea merely hot water. As regards quantity there is, however nothing to be desired. In fact, three meals a day on the train is more than anyone wants. And if you are wise, both for the sake of your pocket and of your liver, you will cut down your meals to two a day.

The Siberian express nowadays is almost invariably a day late, and, moreover, the meal-tickets can be used in the Intourist hotels both in Moscow and Leningrad, a very important consideration in view of the crazy exchange. There is a certain amount of mystery about these meal-tickets, owing to the uncertainty as to what one is allowed at the different meals. There are, moreover, two categories of tickets. The friend with whom I took my meals had first and I had second, and we never really discovered what the difference was. Second, at any rate, are quite good enough.

"Terrific" Prices

On former occasions I had taken my own food along with me. And this appears the more convenient and cheaper way, all the more as one can now once more buy anything one wants on the stations: milk, butter, eggs, fish, chicken, cheese, bread, fruit, cake and so forth. At Omsk there was a most wonderful shop on the station which sold everything from rye bread to lipsticks. But there is a serious drawback about this. The official rate of exchange is Rbls. 5.30 to G$1. And at this rate the price of everything is simply terrific for the foreign traveller: oranges Rbls. 1.50 to 2 each, a small bottle of mineral water 80 kopeks, a small slab of chocolate Rbls. 7. It is doubtless possible to bootleg roubles before starting on one's journey at Shanghai or elsewhere, at a rate three times as good, but it is dangerous, as it is strictly against the law to bring roubles into, or take them out of, Russia.

The horrors of travel have been greatly increased by the installation of radio on the train. In each carriage a loudspeaker, with short intervals of music, pours forth an interminable spate of propaganda all day long. This propaganda, I understand, is directed chiefly against the vices of the capitalist system, though as none of us hardened bourgeois could understand a word, it had no other effect than to disturb our afternoon siesta, and entirely failed to bring a blush of shame to our criminal cheeks. For the sake of future travellers I ought perhaps not to have said this. For if they chance to read this, the Bolshevik authorities may start addresses in English or French. But there is I think, little danger of that, for the methods of Russian propaganda strike me as peculiarly naive.

Elaborate Customs Stations

Many of the frontier Customs stations are most elaborate modern buildings with some good pictures and fine sculpture depicting the glories of the proletarian revolution. [illegible]ems a great waste of money [illegible] that about 95 per cent. of foreign travellers in Russia must be hardened capitalists. Indeed, as I have already shown, you could not go there, if you were not.

Here is another sample. One of the beautiful old churches in Leningrad has been turned into what calls itself an "Anti-religious Museum." With a certain amount of effort I can picture to myself a religious museum, but an anti-religious one is beyond my imagination. So I thought I would go along and have a look. When I got there I was somewhat surprised to find a notice to the effect that one was charged 50 kopeks for admission. It seemed about all it was worth, but when I went to the box-office to pay, I was told that as a foreign tourist I would have to pay double.

A rouble was more than I was prepared to pay for that kind of nonsense, and tried to indicate this to the elderly lady at the box-office But she remained adamant and I withdrew my money. Nor did I notice a single person entering or leaving during the quarter of an hour I was outside the church. It is certainly a very strange idea: charging people to come and look at your propaganda.

After my experiences during my short transit through Russia I must confess that I am not clear whether they really want foreign tourists or not. Judging by the posters and pamphlets they put out, of the "Come to Russia" kind and the activities of the Intourist, the Soviet Cooks, in various foreign capitals, one would imagine that they do want them. Perhaps, not in order to obtain foreign exchange, which is the object of most European countries nowadays, because Russia is not greatly concerned about that, being one of the largest gold-producing countries in the world; but for propaganda purposes, in order to demonstrate the superiority of the Soviet system.

Yet, if they do want tourists, they would certainly seem to go about it in a very strange way. In the first place there is the rouble which, as I have shown, has been fixed at an absolutely ruinous rate for the foreign traveller. One would have thought that, if they were really anxious to get foreign visitors, they would give them a specially favourable rate, instead of doing the very opposite. Then again, there is the Intourist agency itself which is a hot-bed of inefficiency and, to put it mildly, of overcharging.

Several Examples

Here are a couple of examples that came to my notice. One of my travelling companions booked a seat for the opera in Moscow through the agency, certainly at a rate much above the proper figure. He took the ticket some time during the morning through a highly picturesque young lady who was a splendid example of bustling and businesslike inefficiency. After enormous spates of talk he did manage to get the ticket.

The opera commenced at 7 p.m. At about a quarter to seven that evening he quite by accident met the young lady again who said to him quite surprised: "Why aren't you at the opera? You won't be able to get to your seat, if you're not there ten minutes before it starts." This important point she had quite forgotten to mention when she gave him the ticket.

I don't know what happened, as I had to catch my train for Leningrad. When I got to Leningrad, an agency man met me and put me into one of their cars which took me to the Hotel Europe, one of their hotels. Here I was charged 12 roubles (2½ gold dollars) for the drive of less than five minutes. I discovered later that an ordinary taxi would have cost only 5 roubles. When I protested about this afterwards I was coldly informed that naturally Intourist have their own charges. It certainly appears that they have, but they are not of a kind to encourage the tourist trade.

Moscow Much Improved

Moscow I found considerably improved since my last visit in 1934, and still more so since 1927. The people, though not well dressed by ordinary European standards, were better dressed than formerly; the shop windows were full of goods, though the prices, it must be said, were very stiff indeed; and the crowds seemed once more to be taking a great interest in these bourgois fripperies. The faces, too, of the people generally struck me as less harassed than of old.

One thing, however, one still misses: one does not see a single well-dressed or even moderately good-looking woman about. Tremendous building activity was going on everywhere, and it is obvious that they are making intense efforts to turn Moscow into a modern city. The underground railway, of which they are inordinately proud, is well-run, clean and a fine style of architecture, but otherwise its is really nothing to make a song about, as it is very short and only a few dozen feet deep, and not to be compared with some of the underground lines in London. Still, it is not without a certain significance, as indicating that if they are left alone, they may in time manage to muddle through in their own peculiar, Russian and not Communist, manner.

Vast Country

Russia is a vast country. That, I think, is one of the chief impressions that the journey via Siberia makes on one. The Siberian rail—over which one travels steadily for seven days and seven nights between Manchouli and Moscow, is really a remarkable undertaking. And how impressive it is, and how, despite all their inefficiency and muddle, the Bolshevik administration manages to run things, will be realized when I say that during the whole of the journey nearly every quarter of an hour we passed a train in the opposite direction.

On all the houses along the line, and needless to say, at all the stations one sees pictures of Stalin hanging over doorways and windows. They remind one of the ikons that one saw everywhere in the old days and they probably serve much the same purpose. But what the Russian people really think about it all is hard to say. Naturally they do not open their hearts on such a delicate subject to any foreigner, even if he can speak their language. I imagine, however, that the so-called "terror," the "purges" and all the rest do not really touch the lives of the great mass of the people and only affect a very small fringe at the top.

System Come to Stay

My own personal opinion is that, whatever private quarrels and jealousies and political differences there may be among the people at the top, and whatever changes there may be in persons, the system, though no doubt in a modified form, has come to stay. It seems unlikely that the masses who have been taught to believe, quite mistakenly no doubt, that they are the masters, will be willing to revert to the old system in any way. I am aware that this view is not shared by many who are much better qualified to express an opinion.

Finally I must repeat that Russia is a vast country. It seems to me that "certain countries," to use the diplomatic phrase, are making a big mistake, if they imagine that she could be tackled with impunity, no matter how inefficient her government may or may not be. They are likely to meet with the same disillusion, only on a much greater scale, as have the Japanese in their attempt to conquer China.

Australian Loan Council

States Evade Agreement; Labour Victory in Queensland; British Expert for Army Post

From Our Own Correspondent

Melbourne, May 12.

Borrowing by the Australian Commonwealth and State Governments is controlled by a body known as the Loan Council. This organization, which was inspired by the Bruce-Page Government about nine years ago, has proved very effective in stabilizing national finance, and certainly does not merit the criticism that is periodically directed at it by Premiers whose grandiose schemes of public expenditure have been curtailed.

Nevertheless, its sessions have become increasingly stormy, and its future usefulness is now seriously threatened by a policy of evasions, which certain States have ingeniously employed in recent years.

The Loan Council derives its authority from a "Gentlemen's Agreement," to which all the Australian Governments are parties. It has no legal powers of compulsion. All its decisions must be unanimous to be binding, and, failing unanimity, an accepted formula is automatically applied.

When the Council was established all the Governments, Commonwealth and State, had been indulging in an orgy of public expenditure financed by internal and external borrowing. Competition between the various Governments has forced up interest rates, and the inflationary effect of this was a serious contribution to the severity of the depression which followed.

Since 1929, external borrowing, apart from conversion operations, has virtually ceased. Internal loans have been drastically curtailed, and Governments, which were in dire financial straits five years ago, are now in a very sound position.

Competitive Borrowing Stopped

The Loan Council has accomplished this by eliminating competitive borrowing, and by restricting total borrowing to the funds available for investment. In this way interest rates have been kept within reasonable limits, and industrial investment has not been handicapped by competitive public borrowing.

The Council consists of the Prime Minister, the State Premiers and their respective Treasurers. The Council meets periodically, and loan programmes are submitted, adjusted and a final agreement on loans for the ensuing year is placed before the Board of the Commonwealth Bank.

If the Board approves, it agrees to underwrite the loans. If not, it submits alternative plans to the Council, and a compromise is eventually reached.

"Grabbing All the Money"

Meetings of the Council follow a well-worn path. The States accuse the Commonwealth of "grabbing all the money." The smaller States lay similar charges against New South Wales and Victoria, both "liberal spenders." The Council then invites the Bank Board to underwrite larger loans than are really needed. The Board reduces the amount.

The Premiers indignantly accuse the Bank Board of exercising a financial dictatorship, and secretly congratulate themselves on having obtained the right to borrow more than they had dared to expect.

The recent meeting of the Council in Melbourne was exceptional in that the discussions were at times more acrimonious than usual, and because the smaller States protested at the policy of semi-governmental borrowing adopted by New South Wales and Victoria.

These States have both created a number of boards to conduct State enterprises of various kinds. Borrowing by such boards is not subject to regulation by the Loan Council, and is an effective means of obtaining funds to finance public works in excess of expenditure of approved Government loans.

Several Premiers of the smaller States left the meeting of the Loan Council declaring that they had "learned the ideal way to finance public works," and stating that they would establish boards to indulge in semi-governmental borrowing themselves. If this policy is generally adopted the usefulness of the Loan Council will be seriously impaired, and unrestricted borrowing will again become a serious problem.

Eventually such semi-governmental borrowing is bound to be brought under control of the Loan Council. Until then the smaller States can hardly be restrained from following the example of Victorian and New South Wales, however unfortunate the consequences may be.

Queensland Elections

The elections in Queensland resulted in a sweeping victory for the Labour Government. A few weeks earlier the United Australia-Country Party Government in New South Wales was equally successful. Good times always favour the party in office, and in both States the Opposition forces are at present weak and divided.

In addition to this both Governments have an unusually good record. The New South Wales Premier, Mr. Stevens, and the Queensland Premier, Mr. Forgan Smith, are also held in considerable esteem, and, on present indications, may retain office indefinitely.

However, it would not be surprising if Mr. Stevens eventually entered the Commonwealth sphere, where his talents would have greater scope. Such a move has been canvassed from time to time, but Mr. Stevens has failed to respond. Unless his elevation to the Prime Ministership were certain, Mr. Stevens would prefer to remain Premier of New South Wales.

Defence Expert

Considerable discussion has been caused by the announcement that the Government intends to invite a general of the British Army to accept the position of Inspector-General of Defence. This is the highest Australian military appointment, and has been vacant for several years.

The proposal has been criticized as a reflection on Australians eligible for the position, but the Government points out that it desires the advice of an expert from the British Army on recent developments in mechanization. The critics assert that such an expert could give advice without being appointed to the highest post in the Australian forces.

Underlying most of the criticism is the belief that the Government intends to re-introduce compulsory military service. The Prime Minister, Mr. Lyons, has repeatedly given pledges that this will never be done by his Government. It is suggested in well-informed circles that obtaining the advice of an "outside expert" is merely a device to absolve Mr. Lyons of that inconvenient pledge. Whether such suspicions are well-founded, or merely mischievous rumours, only time will tell.

The Asiastic explorer and winner of the National Socialist Culture Prize in 1937, Herr Wilhelm Filchner, was awarded the honorary doctor's degree by the Technical Academy of Munich on Friday. In his address, Dr. Filchner stated that thanks to the generous assistance by the German Chancellor he will set out on a new expedition in the near future.

A comprehensive work creation programme envisaging an expenditure of altogether Swiss Frs. 415,000,000 has been drawn up by the Swiss Bundesrat, i.e. the Federal Council Of this sum, Frs. 190,000,000 are to be spent on national defence, the rest being for land drainage, road and railway building, electrification, promotion of civil aviation and subventions to separate cantons. For meeting the interest and effecting the amortization of these credits, new taxes are contemplated.

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SPECIAL ARTICLES

OIL EXPROPRIATION

By SMITHSONIAN

When the Mexican Government broke off diplomatic relations with Great Britain the news was treated with far more thoroughness in the American Press than in the British. It was treated not only with thoroughness, but with a certain amount of relish. The usually staid editorial writer of the Washington "Evening Star" under the influence of excessive excitement, so far forgot himself as to depict little Mexico "bearding" the British lion by "twisting its tail." There were a few writers who realized that it would only be by some such logic defying defeat that the Mexican Government could extricate itself from the mess into which it had insisted upon leaping. The majority however, discussed, the unprecedented nature of a small nation breaking off relations with a great power and decided that the London Government had brought the catastrophe on its own head by the unnecessary sharpness of its protests over the seizure of British oil wells by the Mexican Government.

* * *

Only two years ago the Persian, or as it prefers to be called the Iranian, Government broke off relations with the United States when its Minister was treated with scant respect by local Maryland police while the sharpness of the British notes over the seizure of the oil properties was matched by the "emphatic protest" of the American Government to Germany over the threatened seizure of property belonging to American Jews. The sharpness, however, or lack of sharpness of the British protest, the boldness or lack of precedent for the Mexican Government's action are not the most important features in the Mexican situation, as Administration officials realize far better than the press commentators.

* * *

The whole Mexican situation, whatever course is taken by the Mexican Government or by the British or American Governments, is an unfortunate one. The American Government bases its policy towards Latin America on the "good neighbour" doctrine, the object of which is to erase the memories of past policies when the United States filled the role of "big brother" and, as big brothers will, kept peace among the family of American nations by knocking their heads together.

The Mexican response to the American Government's friendliness was, however, disillusioning. The seizure of American oil properties (together with British) was but one of a long chain of unneighbourly actions. As the Secretary of State pointed out when the oil properties were seized, "During the past few years the Mexican Government in pursuance of its national policy has expropriated and is continuing to expropriate the properties of citizens of other countries in Mexico. . . Among these have been hundreds of farms and other properties of American citizens. . . The recent expropriation of oil properties belonging to American citizens is but one incident in a long series of incidents of this character."

* * *

The American Government did not dispute the right of the Mexican Government to take such action, but it did insist that anything confiscated must be adequately paid for, and it accepted the Mexican Government's assurances that payment would be made. The difference between the American and the British position was that the British Government, in view of the internal financial situation in Mexico, felt that the Mexican Government could have no intention of paying for the properties but had confiscated them for internal political reasons and it felt that the only solution of the problem would be for the oil properties to be handed back to their original owners.

* * *

The fact that the British Government had adopted a different attitude from the American Government was made much of in some quarters and the impression created that relations between the two countries had been strained thereby.

Privately, however, many American officials expressed satisfaction that the British were taking a firm stand. They were inclined to agree that the Mexican Government would be in no position to pay for the properties they had taken. The chief danger in the situation as they saw it was that other countries of South America observing the success of the Mexican Government in confiscating foreign property would be tempted to do the same. The British stand would act as a warning which the United States was not able to give for various reasons.

The restraining influence of the Good Neighbour doctrine has already been mentioned. Another equally compelling reason for conciliatory action was that the United States had no desire to weaken the Cardenas Government, or to encourage elements hostile to it to rebel. The outbreak of civil strife in Mexico might well lead to a second Spain at America's back door. Opponents of the Cardenas régime might obtain help from Germany or Italy while the Cardenas régime itself despite its friendship for Trotsky might in the event of a Fascist outbreak receive help from Soviet Russia. Europe's ideological struggle would thus be transferred to the Western hemisphere. The task of keeping out of European troubles would have been almost impossible if they came so close to the United States border.

* * *

Another reason why the Administration took a more conciliatory attitude than the British was that for reasons of domestic politics—they did not wish to appear too friendly to the big oil concerns. Since the days of the Harding oil scandals the oil industry has had an unsavoury reputation. The presence of three Standard Oil boats in the Yangtze when the Panay was sunk weakened the support the Administration received for its firm stand in that crisis. Why, asked Administration critics, should the Administration feel it necessary to protect Standard oil with the taxpayers' money and at the risk of American lives.

A quarrel with Mexico on behalf of the oil industry would have been most unpopular, and the antagonism might well have made itself felt at the polls. Moreover critics would have been able to make out a plausible case for the theory that the United States was pulling "British chestnuts" out of the fire if a firm attitude had been taken.

* * *

For a time the professional Anglophobes had a grand time anticipating British rage at the treatment they had been accorded by Mexico. They drew on their imagination and evoked the prospect of a British fleet appearing off the coast of Mexico to try and collect the oil debt and being forced to retire by the American fleet for "violating" the Monroe Doctrine. But nothing of the kind took place and officials pointed out that the Monroe Doctrine was not in anyway involved. It would not be involved even if the British fearing for the safety of their nationals despatched a fleet to protect them officials pointed out.

Should the British land an armed force to secure collection of their debt the matter would be different and the United States would object. She would base her objection both on the Monroe Doctrine and a provision of the recent Buenos Aires compact which provides that "in the event the peace of the American republics is menaced" any signatory could summon the others to discuss the matter. Needless to say the landing in Mexico of a British expeditionary forces is completely beyond the bounds of possibility.

* * *

Meanwhile the economic situation in Mexico grows worse. The oil properties were seized because the companies were unable to pay the wage increases ordered by the National Labour Board in Mexico City. But the Cardenas Government finds it cannot pay the wages demanded by the workers either, specially as neither Britain nor the United States are open as market for the confiscated oil. What would happen it has been asked should Cardenas make arrangements for selling oil to Germany or Japan? One reason which restrains Cardenas from such action is the bad effect it would have upon American opinion which has come to consider the Mexican Government as a member of the "democratic" block of nations.

* * *

People who know Mexico, however, point out that Cardenas rules as a dictator, a benevolent despot. It is the fashion now to classify the old type of South American dictator as Fascist or Communist. Cardenas is called a Communist, President Vargas of Brazil a Fascist. But as a recent survey made for the American Foreign Policy Association points out, the Mexican revolution antedated the Russian by seven years and has been influenced only slightly by the latter movement.

The writer of the survey describes Cardenas as "a practical man of action whose thinking is governed by a few simple ideas rather than by doctrinnaire convictions. Mexican conditions, not foreign dogmas, have shaped his policies. His sympathies align him with the worker as against the employer, with the landless peasant as against the large landowner. Temperamentally he is closer to the rural peasant than the town worker. His government is primarily based on a rural machine. It is not a government by the people. Yet at the same time in its popular support and in its aims, it is to a considerable degree a government of the people and for the people."

* * *

The same might be said of any totalitarian government. There is probably little doctrinal sentiment involved in President Cardenas attitude towards the totalitarian States. If more is to be gained by coming to an arrangement with them than by remaining aloof in the interest of United States friendship he will probably come to some arrangement.

Looking at the seizure of the oil properties from a more distant perspective, it is seen to be part of a trend which is common to the whole of Latin America. A powerful wave of nationalism is sweeping the American republics, combined as such movements invariably are with a dislike of the foreigner. The spirit in Latin America is in other words the very opposite of the spirit of the Hull trade agreement programme. It might even be called the opposite of the "good neighbour" policy, for a good neighbour is not a man who dislikes other members of the community.

* * *

The only good thing which has come out of the Mexican mess is that the United States Silver purchase programme has been dealt a body blow. In fulfilment of the Act of 1934 forced through Congress by the silver bloc the American Treasury had been buying Mexican silver at a price above the world price, the object being to build up silver reserves till they were a quarter the value of the gold reserves. The special purchase agreement under which Mexican silver was bought was suspended and under the circumstances no one in Congress felt disposed to object.

The price paid under the agreement was 45 cents per ounce. Mexican silver is still bought on the open market but at a price which is several cents lower. The Mexican Government thus gets less for its silver and cannot sell its oil. It has moreover despite the friendly tone of all communications from Washington exasperated the Administration. Its rupture of diplomatic relations with England increased official displeasure.

NATURE NOTES

Without exception everything in my garden this year has bloomed in a way I have not seen it do before. Glimpses obtained on my way to and from town indicate that the same is the case with other people's gardens. It began early in the spring with my little wild flowers, such as the speedwell, the buttercups, the violets, the wood sorrel and the Potentilla (Wild strawberry), all of which were unusually florescent. Next my white lilac tree was literally smothered with blossoms, followed by what is usually called May by Shanghai gardeners, but is really a spiraea, the bushes of which looked as if they were covered with snow. The snowdrops, nestling down at the bases of the rocks, also were particularly good this spring, and later the saxifrage, commonly known as Mother-of-Thousands, which is still in bloom. The mauve-blue Temple-of-Heaven, the roses, especially the ramblers or "Dorothy Perkins," the brilliant yellow Forsythia, the various kinds of jessamine, the mock orange or syringa and the Deutzia all bloomed thickly. And now the pomegranate trees are a mass of pure vermilion, the Hypericum or St. John's Wort bushes ablaze with golden-yellow and the gardenia shrubs weighed down with pure white blossoms of exceptional fragrance. Not only are the flowers thus superabundant, but foliage too is thicker and seems greener than ever before. It is all one can do to keep the garden from becoming a tropical jungle. The beebo or loquat trees are loaded with orange-coloured fruit which makes a wonderful contrast with their dark green leaves. Naturally one seeks an explanation for all this prodigality. Is it that weather conditions have been abnormally favourable? There seems to be more moisture this year than we usually get here, and there have been fewer days when that unpleasant drying spring wind has blown from the north and north-west, but somehow these phenomena do not seem to be sufficient cause for the excessive verdure and plethora of flowers we have been blessed with this season. I have another suggestion to offer. Last autumn and early winter a war of considerable intensity raged round us, and enormous quantities of explosives were discharged on every hand. Extensive areas of Shanghai went up in flames. For days on end the air was thick with smoke. That from the bombs and shells was, of course, full of compounds of nitrogen, at once one of the main ingredients of most high explosives and the basis of nearly all fertilizers. Is it not probable that, unobserved, there was a steady deposit of nitrates, phosphates and other chemical substances from the smoke-charged atmosphere dissolved in the rain as it fell and sprinkled all over this area, fertilizing the soil and so enriching it that it has yielded in leaf and and fruit as never before? If this be the case, it is just one more instance of Nature stepping in and turning the evil man does to good.—A. DE C. S.

* * *

Since I started writing these "Nature Notes" my wife has developed a keen interest in the multitudinous animal life that infests our garden. The other day I led her round on a "personally conducted" tour, when, armed with magnifying glasses, we examined all manner of minute insects, including flies, wasps, aphids, butterflies and moths, beetles, ants and what are commonly known as bugs, along with the larvae of various larger species. Turning up the leaf of a Judas tree we made a remarkable discovery. There on the under side of the leaf was something that looked like a brooch cunningly wrought by some master workman of the jeweller's craft. In the middle was what looked like a cluster of a dozen or so seed pearls, and surrounding these in a perfect circle was an equal number of what might be taken for rubies, each touching its neighbour on either side. A closer examination revealed the "pearls" to be the shells of eggs, each with a round hole at the top and a neatly fitting lid; while the "rubies" were the larvae of some form of bug (*Rhynchota* or *Hemiptera*). These were oblate lozenge shaped, and about three times the size of the eggs from which they had been hatched. They were striated red and white with touches of black and yellow. Each had its head towards and almost touching the cluster of empty eggshells, and all remained perfectly motionless. It was one of the most beautiful things I have ever seen in the insect world. The same afternoon I took another look at my treasure, finding that the little insects had not stirred. The same was the case all through the following day and also on the morning of the third day. But at noon of the latter when I turned up the leaf I was surprised to find a number of almost black insects, at least three times the size of the larvae previously noted, and one insect the same size as the others but transversely banded red and white. These insects, instead of being dormant like the larvae, were very lively, and soon ran off in all directions, leaving the cluster of pearl-like eggshells still adhering to the under surface of the leaf. What had happened in this little drama was that an adult female bug had deposited her eggs safely hidden and left them to hatch. When this took place the larvae, all soft and defenceless, had rapidly increased in size till their outer casings had hardened. They then had taken up their positions round the eggs awaiting their first moult probably they fed upon the juices of the leaf by injecting their hypodermic needle-like probosces (characteristic of the *Rhynchota*) into its soft tissues. Then in due course their skins split down their backs and out they came, again all soft and increasing rapidly in size till once more their outer casings hardened, this time turning black on contact with the air. Their legs were now well developed and they were in a fit condition to face life in the open, though still unable to fly. Further moultings would have to take place before they became perfect insects, or imagoes, as the latter are called. But why the little creatures should have assumed the position in which we found them when they first emerged from the eggs, and why they continued to remain there quiescent for the best part of three days, are just two more of the many entomological riddles which have not yet been explained.—A. DE C. S.

* * *

There can be no doubt about it. Ant colonies, beehives, wasps' nests and termiteries belong to the political order or system known in modern parlance as the "Totalitarian State." Not that they are governed by dictators. On the contrary, except for the queens, which are the fertile egg-laying females of the various aggregations, there seem to be nothing in the way of individuals that rank above their fellows. The queens, however, exercise no gubernatorial functions. They merely lay eggs, feed and lay more eggs, almost *ad infinitum*. Nor are their mates, the fertile males, in any better position. The great majority of these never function at all, and in some cases, notably amongst the bees, are killed off by the neutral workers. But, in spite of this absence of a ruler, a colony of ants or termites (white ants) or bees or even wasps carries on with the utmost order, precision and discipline, for it is governed by the inexorable law or principle of the complete subservience of the individual to the State. The individual ant or bee exercises no freedom of action, nor are its interests as an individual considered in any way—everything must be sacrificed to the interests of the community or State. This is the ideology envisaged in the world of men today by certain States which have adopted the principle of Totalitarianism. It must be admitted that there can be no better system than this when it comes to a matter of war and conquest. This is well exemplified by what has been transpiring recently on my verandah, where a certain bellicose colony of ants appears to have embarked upon a programme of territorial expansion. It has already defeated and destroyed two other colonies on the verandah and is at the moment engaged in "mopping up" a third colony which had established itself actually inside the house. A terrific battle is raging at one spot: it has already lasted several days. The combatants appear to be mainly worker ants, with here and there a soldier, larger and stronger than the workers, but no whit better fighters. The dead and dying are carried off by the victors, apparently to serve as food during this period of emergency when the ordinary foraging is out of the question. The final outcome, of course, depends upon the relative numerical strength of the contending colonies, but in this merciless war even the victors must pay dearly. I am not interfering, deeming it the best method of getting rid of the pests to allow them to kill each other off. I shall, in due course, deal with the survivors—if there are any.—A. DE C. S.

IN PARENTHESIS

This Easy Age

"WHAT are we having for dinner?"

"Sponge cake, dear. I sponged the eggs from Mrs. Holmes, the flour from Mrs. Brown, and the milk from Mrs. Smith."

* * *

Mixed Metaphors

FROM a Shanghai contemporary:—

CLOUDS OVER THE WORLD

No little concern is keenly felt over the world situation today by political and economic dopesters. The incredibly swift flight of events in recent months throughout Europe is causing serious repercussions.

The historical changes that had taken place in the political set-up of Austria has sent a cold chill of apprehension down the spine of Czechoslovakia, a melting pot of various nationalities that may yet prove to be a tinder box liable to set the whole world on fire.

Locked in a deadly conflict, Fascism and Communism are occupying the centre of the European stage, each trying to assert its supremacy over the other by the number of men with which to feed canons. The rumblings of the terrific impact are heard all over the world, and small nations merely sit up tightly with mouths agape, wondering so to what will befall them.

The picture of a melting pot getting cold shivers down its spine can only be excelled by a sight of its transformation into a tinder box. But the allegation that certain nations are trying to assert their supremacy by the number of men "with which to feed canons," constitutes as grave a libel of a deserving body of clerics as we have seen for many a day. Our contemporary may rest assured that canons are not cannibalistic.

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THE BOOK PAGE

Kindly Counsel

MY QUEST FOR PEACE By George Lansbury. Michael Joseph. London. 8/6.

George Lansbury is far too well known to need any introduction in this review, his indomitable idealistic beliefs in the essential goodness of human nature and his numerous attempts in past years to bring peoples and countries closer together by the application of kindness, faith and sincerity, being matters that from time to time have been broadcast throughout the world by the medium of the press. A kindly soul who still refuses to despair at civilization's apparently ever-increasing headlong rush into destruction, the author has simply and sincerely expressed his own personal ideals for the maintenance of peace, ideals which if adopted by world statesmen and applied as Mr. Lansbury would have them applied, could go a long way to averting the terrible catastrophe of another universal war. He is a pacifist above all and his schemes and plans for the calling of a World Conference at which might be removed the many financial, economic and territorial inequalities that, in these troublous times, are the fundamental reasons for endangering world peace, form vital and timely suggestions for a happier and serener life for mankind.

Friendship Rejected

In graphic fashion he decries the policy of frenzied rearmament now carried to extremes by nearly all governments. He traces the present day urge for the possession of more and more death-dealing devices back to the days of 1919 when the "iniquitous" Treaty of Versailles was forced upon the vanquished by the victorious nations, a treaty that is now reaping the harvest which always follows those who seek vengeance. He gives many concrete examples of how the terms of this treaty have been broken time and time again by the countries that framed them and still remain signatories of the agreement. This state of affairs, he affirms, is mainly responsible for prevailing tense conditions in Europe today:

> ....Had these treaties been fair and equitable, such as many previous conquerors would have imposed, we would not have seen the uprising of dictatorships or the economic chaos which Europe is now experiencing. The Europe which rejected German friendship when offered by Ebert, Stresseman and Brüning, has now been forced to cancel millions of pounds of Reparations claims, has seen the Rhineland reoccupied and fortified.....

Talking It Over

That war in any form is bestial and brutal and can never be made humane cannot be gainsaid, and it is in a laudable attempt to outlaw war in every way that Mr. Lansbury has travelled to America and various European capitals on "peace campaigns," giving lectures to large audiences on the folly of nations endeavouring to strangle each other economically and on the futility of war and strife. He has met and interviewed heads of states and has exchanged views and ideas with them on the ever important question of "Peace and How to Maintain Peace." Among the interesting personalities he has encountered are Herr Hitler and Signor Mussolini, and his pen-pictures of these gentlemen and their reactions to his proposals for their assistance in a World-Wide Peace Plan are delightfully graphic and full of strong meat for those who desire first-hand impressions of the characteristics and qualities that have made these men the powers that they now are.

It is probable that a great deal of argument will be the outcome of reading this volume, for many of the author's schemes seem drastic, far-fetched, unreasonable, and only possible of consummation in some Utopian state, but nevertheless he has the courage and sincerity of his own convictions to keep on trying to help the world in a time of stress and dire need, so that the reader, whatever his or her own political leanings, cannot refrain from applauding and enthusing over the praiseworthy ambitions of this Grand Old Man.—F.A.P.

China in Legend

LAND OF THE YELLOW SPRING By Verne Dyson. Pen and ink drawings by Arthur G. Learned. Chinese Studies Press, New York. G$1.50.

This is a collection of legends of Cathay dealing more particularly with the love of the Chinese race for the yellow colour. The author, or collector, spent some time in China as teacher-writer, and it is obvious from his latest effort that, as with most Occidentals who return to the homeland after a visit to the Far East, there remains a longing for China which it is difficult to extinguish. In a score of chapters, he deals with the yellow race, river, sea, dragon, jacket, etc., etc., and much space is also occupied by illustrations descriptive of quaint Chinese art which are a feature of the booklet. Mr. Dyson's sympathies are easily traceable:

> Yellow faces are symbols of kindness, warmth, patience and understanding—of a fine balance in personal character. The qualities which are associated with the colour of yellow—spirituality, harmony and vitality—are their ancient heritages. Not until these facts are again recognized will international goodwill return to the world.
>
> Not until yellow faces are restored to their rightful place, in equality with white, will peace, happiness and security return to the world.

But, if the author's solution of world happiness is thus somewhat too easily and quickly disposed of, there is much to be said for the legends themselves which are quite an interesting and illuminating collection. In a chapter dealing with the Yellow Sea, he writes of Kublai Khan's great armada of 3,500 ships and over 100,000 men prepared for an attack on Japan, which was destroyed by a typhoon in A.D.1281, and there are many other incidents of this kind which will give the American reader a much better idea than is generally held of China and the Chinese. Mr. Dyson has also selected a time for his publication when interest in the Far East is particularly keen, for although "Land of the Yellow Spring" has only now reached the Orient it was published last year in New York.—J.W.F.

Clear Eyes in China

CHINESE EVERGREEN By Victor Purcell. Michael Joseph, London. 10/6.

Dr. Victor Purcell, a British Civil Servant, has been in close contact with the Chinese for some seventeen years the greater part of which has been spent in various parts of Malaya. He has, however, lived for considerable periods in South China and by dint of hard study and sheer will-power has acquired a thorough knowledge of the intricate written Chinese language in addition to several dialects. He writes convincingly of the Chinese, their habits and their customs and one can arrive at but one conclusion—he knows the Chinese intimately, he understands their problems and complexes and their outlook on life as perhaps few foreigners do. He tells his story intelligently so that any Tom, Dick or Harry, who has yet to leave his native shores, can conjure up a picture of China as it really is and not visualize a place where nothing but "Beautiful Jades" and "Bountiful Longevities," etc., etc., exist—exist that is, in the imaginations of those numerous authors who think they are accurately describing China's glories and sorrows after having made only a couple of weeks' lightning tour of this vast country. Never for a moment is this book heavy, stilted or artificial, being always full of young life and care-free humour. Dr. Purcell is possessed of the power to view the funny side of life and, as so few of us are able, he sees the humour of the Chinese, in rich and poor alike—while the apt way he manages to convey his clear-cut impressions will certainly leave fragrant memories after the reader has put this volume down as finished.

Three Weeks

In September and October last, as Japanese aeroplanes were starting on their death-dealing missions over Canton, Dr. Purcell made a three weeks' trip from Hongkong to Changsha, thence to Kweilin and Lewchow, on to the Sino-French border and then to Hanoi. During these three weeks he observed a great deal which he sets down faithfully and in a manner that pleases from start to finish. But to this 2,000 mile journey, which forms the groundwork of the book, are attached his intimate impressions and studied reflections concerning China and the Chinese based on seventeen years' experience, an experience that is as wide and varied as it is full of honesty and realism.

Wheels of Change

He takes us through Hunan and Kwangsi, describes the abject poverty of the peasants, how the Good Earth has been so sorely treated that he wonders how it still keeps producing, how educational methods have altered with the passing of the years, how the womenfolk—especially the younger generation—are gradually but inevitably finding their feet and their emancipation, how and why the Southern and Northern peoples' characteristics differ so much, how the South, once irreconcilably disaffected from Nanking, has become united with the Kuomintang régime, how the people are fast becoming a single unit in their common hatred of everything Japanese and how the social and economic structures of the country remain unimpaired despite the threat of war.

Praise and Blame

Of course many of us in this huge Republic have our own ideas as to the Chinese shortcomings, and the reader will not be surprised to see them ably recounted in this story, but always Dr. Purcell is scrupulously fair, for if he sees fit to pull to pieces certain recognized Chinese essentials, he never loses an opportunity of praising to the full those things which are as necessary to the well-being of the Chinese as air is to breathe.

It is a journey, this 2,000 mile trip, that many of us would like to take, to see what Dr. Purcell saw, to do what he did, and finally to arrive at the conclusions that he puts down in this book. A delightfully interesting and highly successful volume, the author is to be congratulated on presenting such a true picture of China, perfectly true yet rich in detail, always alive and never for one second laboured.—F.A.P.

Penguin Books

Penguin Books have ventured anew—into illustrated classics. The illustrations are by some of the best modern wood-engravers and are extremely effective. Each of these little sixpenny editions is prefaced by a short introduction giving an account of the author, together with a little photograph or picture of him or her, and photographs of the illustrators with short sketches of their careers are also a feature of the editions—all giving added interest. The first ten volumes of this series are: "Pride and Prejudice," by Jane Austen, illustrated by Helen Binyon; "A Sentimental Journey" by Laurence Sterne, illustrated by Gwen Raverat; "Some Tales of Mystery and Imagination" by Edgar Allan Poe, illustrated by Douglas Percy Bliss; "Walden, or Life in the Woods," by Henry David Thoreau, illustrated by Ethelbert White; Selected Poems of Robert Browning, illustrated by Iain Macnab; "Robinson Crusoe" (two volumes) by Daniel Defoe, illustrated by J. R. Biggs; "Typee," by Herman Melville, illustrated by Robert Gibbings; "The Story of My Heart," by Richard Jefferies, illustrated by Gertrude Hermes; "Gulliver's Travels," by Jonathan Swift, illustrated by Theodore Naish. Mr. G. B. Harrison, is the author of the introductions, while Mr. Robert Gibbings is the art editor and has collected the team of artists for the whole series.

New Fiction

The consequences resultant on the bringing home of a Chinese bride by the heir of a quiet English county family are set forth by Neil Woodward in **"Off-White"** (Murray, London. 7/6). Mr. Woodward has made a realistic sketch of a particular type of well-bred Chinese woman, gracious yet very reserved, with a knowledge of the view her own race would take of her marriage that makes her more understanding of the attitude of some of the members of her husband's family than he is himself. But it is with the difficulties of the only child of the marriage that the book is most concerned—loving the land of his birth and yet feeling himself alien and half drawn towards the East and his mother's people. It is all very pleasantly and sympathetically written, and it is only when in the end Mr. Woodward brings his young hero to China, as a surgeon in a hospital which appears to be far up the Yangtze, that his hitherto lightly sketching pen comes down heavily in depicting some quite impossible manners in the local club—but could any novel touching on China be considered complete without this classic malignment?

* * *

"Boss of the Rafter C" (Ward Lock, London. 3/6) has smaller print than usual, thereby enabling Jay Lucas to cram his thrilling story into the customary 250 odd pages. He introduces a novelty in the shape of English Dick, bank robber, hold-up man, and a passionless killer:

> ....the long slender hands of English Dick had taken to the butt of a six-shooter as naturally as a duck takes to water, and something about their supple muscles had him drawing faster after two days of practice than the average man could learn to in a lifetime. And he was not only fast but had a deadly accuracy—no matter how quickly his gun flashed up, he was reported never to miss the smallest mark....

When the reader first meets him he just robbed the mail coach, cleaned out the passengers, chucked the old maid school-teacher under the chin "in a quite respectful way," refused her handbag with a graceful bow, and left her gazing after him with a rapt expression on her face—so it is plain what manner of man he is—quite another feather in the English cap. Readers will be grateful for the smaller print which gives them more of him.—D.P.

* * *

Judge Henning had never once looked Buck Comstock in the face during the trial which preceded his sentence of twenty-five years imprisonment, but even so he might be excused for threatening Bill Morgan with contempt of court when he delivered himself of the following outburst:

> I want to state right here and now that of all the cheap, crooked, low-down farces ever pulled under the name of the law—this is the worst. I thought that damned, squint-eyed old rooster up there was a judge.

But Buck didn't serve long, for that night he was out of jail, had swung himself into the nearest saddle and lifted the bronco to a wild run. So opens L. P. Holmes' **"Gunman's Greed"** (Ward Lock, London. 3/6) in which that nasty pair, Leek Jaeger, squat and burly, his little eyes the dull, brutal colour of old lead, and Frank Cutts, the ex-gambler, with his thin, pale, graven mask of a face and his sharp black eyes, have a good deal to do—as has also that mighty pretty girl Buck had been so puzzled to see with them on the last day of the trial, a girl with wide, grave, dusky eyes, crisp black hair, and a softly crimson mouth—Buck had never seen anyone quite like her before. An exciting story.—D.P.

* * *

Although **"Happy Ever After"** (Ward Lock, London. 3/6) has a plot of the simplest order—a sweet young stepmother trying to overcome the dislike of a rebellious stepdaughter—Laura Whetter makes her book extremely readable. The story runs along so brightly and naturally that it is enjoyable—and with the distinguished publisher husband, the struggling young author on the brink of fame, the "raffishly handsome" but rather iniquitous middle-aged actor (the villain of the piece)—what a nice sentimental film it would make!

Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence frequent collisions, obstinate, envenomed and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the Government contrary to the best calculations. — GEORGE WASHINGTON.

Books Received

To Better Golf in Two Strides. K. Wilson (Putnam, London. 5/-)
Understanding the English. J. H. Wellard (Hurst & Blackett, London. 10/6)

FICTION

After the Rain. J. Henderson (Ward Lock, London 3/6)
Secret Orchards. M. Burt (Ward Lock, London. 3/6
Vampire Abroad. M. Dalman (Ward Lock, London. 3/6
Sea Dust. E. L. Long (Ward Lock, London. 3/6)
Ancestral Tablet. K. Wallace. (Heinemann, London. 8/6)

Be untruthful, unfaithful, unkind; darken the lives of all who have to live under your shadow, rob youth of joy, take peace from age, live unsought for, die unmourned—and remaining sober you will escape the curse of men's pity, and be spoken of as a worthy person. But if ever, amidst what Burns called "social noise," you so far forget yourself as to get drunk, think not to plead a spotless life spent with those for whom you have laboured and saved; talk not of the love of friends or of help given to the needy; least of all make reference to a noble self-sacrifice passing the love of women, for all will avail you nothing. You get drunk—and the heartless and the selfish and the lewd crave the privilege of pitying you and receiving your name with an odious smile. It is really too bad.—AUGUSTINE BIRRELL.

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Pictures of the Week

Mr. R. S. Heaney (*above*), Passport Officer, and Mr. W. C. Scott (*below*) Accountant of H.B.M. Consulate-General, Shanghai, were honoured by being made Members of the Order of the British Empire on the King's Birthday.—*Victor.*

Mr. H. E. Morriss, chairman of the board of directors of the "North-China Daily News," left for Europe last Tuesday by the Victoria.—*Skvirsky.*

(*Above*) Sir Arthur Blackburn, K.C.M.G., Chinese Counsellor of the British Embassy, figured prominently in the Birthday Honours List. He was made a Knight Commander of the Order of St. Michael and St. George. —*Bann's.*

(*Upper left*) Col. W. A. Lovat-Fraser, C.M.G., O.B.E., British Military Attaché, and (*lower left*) Mr. A. H. George, Acting Commercial Counsellor of the British Embassy Offices in Shanghai, were both made Companions of the Order of St. Michael and St. George.—*Bann's.*

Mr. Wen Lan-ting and his adopted son, Mr. Woo Su-ku. The latter, who is a gifted artist, intends to exhibit his paintings abroad in order to raise money for refugee relief work.—*Universal Studio.*

Mr. Tokujiro Hirai (*top*), of the Shanghai Municipal Police, who succeeds to the position occupied by Superintendent Toshi Kasumi (*lower*), who is retiring after 22 years of service.—*Josepho.*

The marriage took place on June 10, at Holy Trinity Cathedral, of Mr. William Kenneth Sharman and Miss Margaret Robson. Both bride and bridegroom are members of the China Inland Mission, and Mr. Sharman is stationed at Chenghsien, Chekiang.—*Josepho.*

Sir Robert Calder Marshall, chairman of the British Chamber of Commerce, who was made a Knight Commander of the Order of the British Empire on the King's Birthday.—*Victor.*

Mr. J. Hall-Paxton who has recently arrived to join the staff of the American Consulate-General. —*Hamilton.*

The 22nd Annual Commencement Day Exercises of the Shanghai American School were held on June 16 at the Community Church. Photograph shows part of the Graduating Class of 1938: (*Left to right*) Caris Lewis (3rd prize winner Chamber of Commerce prize), Helen Murr McFadyen, Ruth Elizabeth Louis, Georgina Dolores Amador, Mary Jane Wolcott (Honour Roll), Lydia Mary Bills (McLachlin Cup; Honour Roll).

Mr. H. F. Baker, assistant secretary of the British Chamber of Commerce, was made a Member of the Order of the British Empire on the King's Birthday.—*Bann's.*

Members of the German Women's Organization pictured at their worthy task of sewing and knitting garments for Shanghai's refugees.

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Excuses and Explanations

VIGNETTES OF LIFE

By J. NORMAN LYND

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THE WOMAN'S PAGE

Shanghai Notes and News

By Hester

One of the results of prevailing extraordinary conditions is that we are being cheated out of our just summer rights. The Silly Season is upon us and in the normal course of seasonable thought we would be leaving Dull Care behind and using up the grey matter upon such topics as, our Pear-Shaped Men, the Shanghai Mind, the Summer Grass Widower, Heat and Humidity, and similar idle thoughts. We are a conservative people and our habits of action and mind are, if not of a high order, at least regular and consistent. Consequently we resent the fact that we must be bounced out of our regular rut and contemplate matters of exchange, or which way the war-cat is going to jump. It is doubtful if anyone alive can answer the questions which concern us most but we shall all hold our theories. The cost of living will concern housewives and some will fondly regard their old housekeeping accounts (if any are methodical enough to have retained such), and will reflect that, though they never suspected it at the time, "those were the days."

• • •

Cost Comparisons

We know that prices have soared tremendously during the past few weeks, but we may perhaps better know where we are as compared with formerly if we make a comparison with prices some three years ago. In the middle of June, 1935, some of the foodstuffs were not vastly different in price from the same things today, but it will be found, on reference, that the grand totals were quite a bit different.

There was a complaint voiced in the news that the peculiar behaviour of Exchange at that time (the dollar was 1 s. 8 d.) was making local products dearer and imported ones cheaper so that market prices, were rather higher than they had been formerly. Pork (if anyone eats that when there is not an R in the month) was twenty to forty cents a pound, and last week's market price was only five cents up on that. Mutton was 20-30 cents a pound, capon 50 cents, fowl 32 cents, and eggs 20 to 25 cents a dozen. Vegetables are much higher than three years ago, new potatoes, for example, being just four times the price. Lettuce is ten times what it was in 1935 while oranges and lemons are two to three times as much

Quoted market prices, though something of a guide, cannot be taken as the last world, as so much in Shanghai depends upon the shopper and the places she patronizes.

• • •

19th Century House Costs

It is always intriguing to read of housekeeping accounts of earlier centuries, not so much because we are interested in the amount of beef and beer which people could

Lady Phillips

Wife of Sir Herbert Phillips, K.C.M.G., H.B.M. Consul-General, spent the first years of her married life in Shanghai. Her two daughters were born here—the elder was married last year in England, while the younger is with her in Shanghai. She has also a son, aged 12, at school in England. She is greatly interested in amateur theatricals and art, rides and is devoted to animals.

accommodate as because the housekeeping of a period casts much light on the social life of the times.

Following are accounts taken from the household book of a lady who ran a goodly establishment onwards from the year 1800, and methinks she would consider that housekeepers of her own standing in these days are sorry providers. Our lady hostess of the Regency period gives details from sedan chair hire to the taxes on hair powder, the re-hooping of bowls and re-lining of kitchen saucepans.

As with hostesses of the present time this lady's accounts and many of her troubles had much to do with servants. She kept three maids and a man inside, a gardener, and an odd-job man. Wages for the men were twelve guineas a year and two suits of clothes (incidentally Sam Weller's remuneration exactly, around 1845). Maids had from eight to eleven guineas a year plus uniform and we learn that 23 yards of print and three "body linings" were bought annually for maids' dresses. A present day amah would not think she was so well done to on similar terms.

As with housewives in England today we learn that regular help was a trouble from the entry: "Paid Mrs. Sherry for being with me seven days when without a cook, 5s." and, "Paid Sarah Evans, cook, a months wages discharging her directly, £1.1."

Miss Katherine Wade, daughter of Mr. and Mrs. T. Wade and niece of Mr. John Wade of Shanghai, photographed on board the President Taft as she nurses $18,000 worth (at present rate of exchange) of Afghan hound belonging to Mrs. Jack Oakie. Miss Wade is en route to Europe with her parents.

• • •

"Cook-Maid" Troubles

In this housekeeping diary we learn that, notwithstanding the fact that they were generously treated there was constant trouble with "cook-maids." The small beer and ale for her staff cost the lady £4 a quarter—quite a goodly sum then while tea was three-and-sixpence a pound, that being a special mixture for the kitchen. It was likewise queried by the good dame as to whether all the gin and brandy bought by her was consumed in the dining room! Theatre tickets at a shilling each were frequently purchased for the pleasure of the staff, and all their apothecaries' bills were paid by the mistress.

Items such as thirty-six yards of sheeting at two shillings a yard for servants' beds, iron spoons, silvered for kitchen use, "tea-board for the kitchen," stone plates, cups and "juggs," are details which help to picture life below stairs. There was a quarterly account for the oiling of the roasting-jack, and sundry repairs to utensils all of which, made of stout material, seemed to last almost a lifetime.

• • •

Catering Above Stairs

In the days when the can-opener figured not at all in the domestic life of the times, and when refrigerators were not known, it is remarkable with what opulence goods for household consumption were ordered. It has to be remembered though that houses meant something more than mere sleeping places between motor trips and hotel and cabaret patronage. All entertainments were carried on in the home, householders could settle for life in the one house, and there they could have around them all the mementoes which they might pick up in their journey through this Vale of Tears. Space was likewise no consideration, and there were excellent store-rooms and cellars and in the latter goods could be kept fresh in the hottest of English summers.

Among items of provisions ordered at one time we read of:

Four hams, each 45 pounds, and a ten pound cheek; half a hundred of powdered sugar, half a hundred of lump, and four loaves of fine sugar, with quantities of rice, tea, and spices.

Coffee and tea were expensive items, tea being nine shillings (for family use), and coffee six and sixpence the pound.

The stocking of the wine cellar was a little more difficult than our method of ringing up the supplier and getting the delivery coolie round in half an hour. Shanghailanders with a reputation for ample liquid capacity would scarcely order on the lines of our lady of 1800. For instance we learn that she had to get her wine shipped from Oporto with lots of trouble attached, for in addition to duties and landing charges the stuff had to be carried by road from Dover. The wine was £191, while duty and fees alone came to £91. Other items which appear with regularity were tubs of brandy, gin and rum, small ale and beer, milk punch and port, while the amount of Madiera ordered at one time was nine dozen bottles. This all together would make a nice little compradore's bill for ourselves, but if we had to pay in sterling at the present exchange, many of us would decide to go teetotal for life. Even with tea at something like $40 a pound, some would have to fall back on barley or clear water for liquid refreshment.

The old days were certainly ones of generous and opulent provision and if we have gained a lot in modern conveniences it is likely that our forbears knew something of comfort according to their own standards, and it is doubtful if, could they have looked into the future, they would have changed periods with us. Of course we have been considering only the life of one very well placed financially, and the poor knew another side of life.

• • •

Wine and Capons

While on the subject of old-time good living I have at hand another set of memoirs commenced in 1749 when eating and drinking is again dealt with in some detail. After a long sea voyage the writer tells of landing at Eastbourne, then a poor fishing villiage, and of being conducted to a-poor looking public house, the only one in the place. However, outside appearances were deceitful for the hostess showed them into a cheery room and soon had a good fire blazing.

When asked what she could provide she said that she was out of provisions as she had so few visitors but would give them what she could scrape together.

She did, and we are told that a repast appeared consisting of: "as fine a dish of fish as ever was seen at Billingsgate, with excellent lobster and oyster sauces. This was followed by a pair of tender, well-dressed fowls, and we finished the ample repast with good old Cheshire cheese."

Failing wine they washed down the meal with tolerable ale, but the hostess was asked if she had wine and she said she had some of a sort. This proved to be most excellent claret and our memoir writer and friends each drank a couple of bottles.

The total charge for four hearty ment was six shillings, including the wine. Those indeed were the days!

A London Letter

By Olive Dun

London, May 21.

How to do our hair, is the most anxious question of the moment. Confusion was caused by the electrifying appearance of the, Duchess of Kent at the ostrich feather show at South Africa House, of which I spoke last week, wearing her hair in the drooping page-boy bob which was popular last year but now was thought to have quite gone out. However a discreet word went round from Belgrave Square that the page-boy bob was only transient due to the fact that the Duchess is having her portrait painted; and that "when this tyranny is over-past," she will lead the fashion in an Edwardian revival.

The essence of this is that the hair is swept straight up the back and off the sides of the face, and is piled on the top in rolls and side curls, with a comb as a sort of central belaying pin. Some of the papers have been reprinting pictures of the lovelies of 1904 and thereabouts. Certainly the hair piled up in undulating gleamy masses is a very beautiful feature; one understands St. Paul's admiration for this glory of woman, though generally speaking his opinion of women was low and not a credit to him. But to make a proper show in this style you need a lot of hair, and most women haven't got nearly enough. It will suit some, the enviable sort whom anything suits, but by no means all. Also Edwardian coiffures seem to need the Edwardian atmosphere, that something in ourselves which, once gone, cannot be recaptured by any amount of dressing up.

• • •

Experience Wins in Golf

The final of the British Women's Golf Championship at Burnham brought together undoubtedly the two best players of the meeting, Mrs Holm, who was champion in 1934 when she defeated Miss Pamela Barton then only 16 and entering the final for the first time; and Miss Elsie Corlett, three times previously in the final and again defeated. It was hard luck. But no woman in the world would beat Mrs Holm as she played in these matches. Yet her victory by 4 and 3 by no means represents the run of the 36 holes. Miss Corlett fought finely and doggedly throughout and gave Mrs Holm more than one nasty cold feeling along the spine.

The matches contain plenty of sensations. Miss Jessie Anderson, the champion, went out very early: how rare it is for a champion to hold the title a second year. Miss Fishwick began in a style that led many to fancy her for the final, but she too went out in the third round. Of the overseas competitors, all of whom disappeared early, Miss Winter of Natal had a very galling experience. She was beaten in the first round by Miss Minoprio who still insists on playing with only one club, a cleek. It is wonderful what she can do with it, pitching high on to lofty plateaus, scooping up the ball out of bunkers. But surely she handicaps herself quite needlessly. Anyway she was beaten in the second round.

Of the Barton sisters, it was Mervyn's turn to distinguish herself, arriving in the semi-final. Many critics think that her style is easier and more natural than that of her famous sister: but she is too diffident, she has not her sister's superb defiance. Pamela went out in the third round (or was it the second?). She was not accurate, hooked her drive a good deal and got into trouble. Again to quote experienced critics, she is thought to have been practising too much. And indeed one might say of practice at golf, as the old cynic said of marriage, "Whether you do or whether you don't, you will equally regret it."

• • •

Glass-makers in Conference

A beautiful side of English art craftsmanship is called to notice by the conference of glass-makers held this week at Droitwich. The history of glass-making in England is not in fact very old, for the stained glass of the 14th and 15th century churches was the product of a guild which knew no bounds of nationality, and the Venetians were far ahead of us in glass and came to England to teach us how to make it.

Then, as always, curiously national idiosyncracies began to come out as the technique of the new craft was mastered, and the delicacy of the Venetian style gave place to the heavy but none the less dignified glass-ware of the Georgian era. Ireland in those days was making some beautiful glass, which fetches big prices nowadays. The best English cut glass cannot be bettered in any country, but of course like most things, it was overdone. Ruskin, somewhere, furiously attacked the excessively cut and moulded glass of his time. The recoil towards plainness in all our surroundings is perhaps more pleasingly shown in glass than anywhere, some beautiful shapes without a scrap of decoration on them being made. On the other hand, eccentricity has broken out among the beer jugs and cocktail sets, to give us the weirdest shapes and odd colours. I saw a set recently of beer jug and six glasses, bearing a portrait of Henry VIII on the jug and one wife on each glass. Of such one may beware.

When I was a child itinerant glass-blowers used to wander from town to town, hire an empty shop, and show their skill to all who chose to see it. While you waited they would blow charming little trees and animals, cunningly introducing different coloured glasses for the foliage and feathers. The *chef d'œuvre* was a peacock with a tail made of a bundle of glass threads so thin that they would bend, the tail thus spreading out fanwise and curving delicately down. And all for a couple of shillings—which, however, for children then was a large sum. But where are those glass-blowers now? I imagine that one of their peacocks would fetch much more than two shillings at any antique dealers.

• • •

Art on the Ceiling

It is interesting to note that decorative ceilings are coming back into favour, and of course with them the mouldings at the edge which, properly, are meant not to be a part of the wall but a frame for the decoration of the ceiling.

The latter is to some extent a question of size. A very big hall would scarcely be finished with a decorated ceiling. Eighteenth century churches, whether with flat or rounded ceiling almost always had them decorated. One of the most brilliant in London is that of St. Mary-le-Strand, with a raised design in deeply coffered squares heavily moulded and painted red, blue and gold. All the interior of this curious old church is gorgeously coloured, besides having quantities of fine old oak, including a superb oak pulpit.

But even comparatively small ceilings are improved by decoration of the right kind. The supreme artist in this work was Robert Adam of the 18th century, who adorned his ceilings with modelled plasterwork, exquisite designs of flowers and fruit. The reception rooms of the Chinese Embassy in London have Adam ceilings, as well as Adam doors and chimney pieces, and very fine they are. What strikes one so much about Adam's decorations is that he could be so mathematically precise, while keeping his design fresh and apparently spontaneous. Some of the Royal Academicians are turning their attention to this field of decoration with charming effect. (I know that "Royal Academician" is as a red rag to a bull for some artistic souls: but would you like a ceiling decorated by a surrealist?)

• • •

Pity the Poor Film Star

Several hundred women assembled this week in Kingsway hall to hear an address by Miss Rene Ray, the young English film star, on what the life of this envied class really means, and the general moral to be deduced is that it is a short life and not by any means too merry a one. Youth passes, looks fade, Vashti is soon displaced by Esther in the favours of Ahasuerus the public. So it behoves her to make all the money she can while the going is good and the making means hard work. Here is Miss Ray's account of a working day:

"Most people have the idea that a film star's life is surrounded by glamour, with milk baths and champagne breakfasts. I sometimes work 16 hours a day. When I am busy on a film, I get up at 5.30. I have a bath—not in milk—then a light breakfast. It's about six when I start out for the studio, and it's usually quite dark.

"My hair must be done every morning and my face made-up. That takes an hour. Then I rehearse, perhaps four or five times, and start work before the cameras about nine.

"I leave the studio at 6 p.m. and may have to play in a theatre at night.

"And all the time one must be well turned-out and have that look of exuberance."

Much the same with artists of all kinds. I remember being told by an actor in Sarah Thorne's famous repertory company at Margate that it was quite usual to be handed a new part at the close of a performance, say 11 p.m., and have to be ready to rehearse it at 11 a.m. next day. I have heard that Kreisler never practises and disbelieve it. Rubenstein's saying of what happened if he missed his daily scales is famous. Dan Leno, Marie Lloyd and other bygone musical stars raced from end to end of London every night, to perform at different halls, often making-up in the cab.

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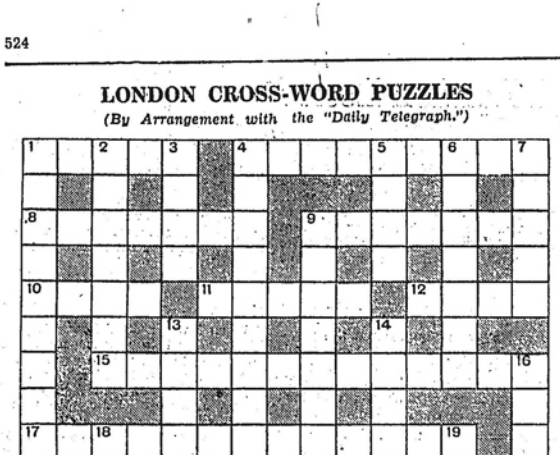
LONDON CROSS-WORD PUZZLES

(By Arrangement with the "Daily Telegraph.")

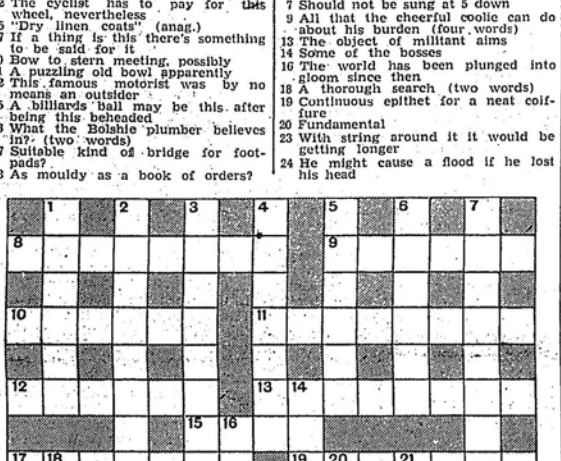


ACROSS

1 Is this the only thing in education of any value?
4 Bluebeard could not have been this sort of rogue
8 Avid fellow with serpentine heart
9 Surmount (two words)
10 A hot mixture
11 Advice likely to improve the garden — figure it out
12 The cyclist has to pay for this wheel, nevertheless
15 "Dry linen coats" (anag.)
17 If a thing is this there's something to be said for it
20 Bow to stern meeting, possibly
21 A puzzling old bowl apparently
22 This famous motorist was by no means an outsider
25 A billiards ball may be this after being this beheaded
26 What the Bolshie plumber believes in? (two words)
27 Suitable kind of bridge for footpads?
28 As mouldy as a book of orders?

DOWN

1 The "Terriers"? (three words)
2 Undesirable epithet for the orderly room
3 A high note among fish
4 May be a small gain, but certain (four words)
5 A celebration
6 Not open to make a chap communistic
7 Should not be sung at 5 down
9 All that the cheerful coolie can do about his burden (four words)
13 The object of militant aims
14 Some of the bosses
16 The world has been plunged into gloom since then
18 A thorough search (two words)
19 Continuous epithet for a neat coiffure
20 Fundamental
23 With string around it it would be getting longer
24 He might cause a flood if he lost his head



ACROSS

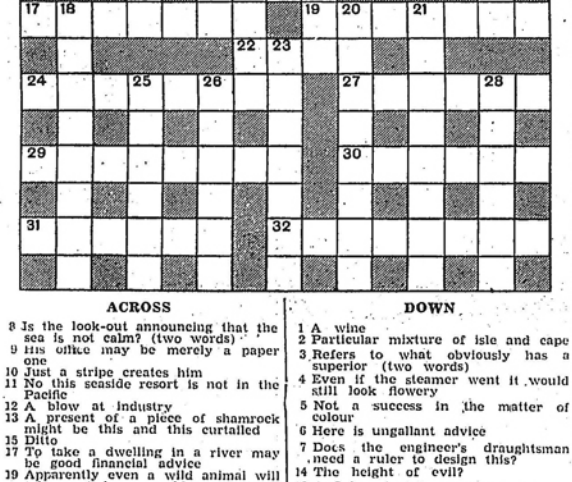
8 Is the look-out announcing that the sea is not calm? (two words)
9 His office may be merely a paper one
10 Just a stripe creates him
11 No this seaside resort is not in the Pacific
12 A blow at industry
13 A present of a piece of shamrock might be this and this curtailed
15 Ditto
17 To take a dwelling in a river may be good financial advice
19 Apparently even a wild animal will take part in a gamble
22 A thing about this is really exciting
24 To put it on one might need the second half first half
27 Shelter of taste in France
29 Ladies use the first half of this fungus to prepare for the second half
30 Haunt
31 Canonised circle with binding powers
32 A blooming climber

DOWN

1 A wine
2 Particular mixture of isle and cape
3 Refers to what obviously has a superior (two words)
4 Even if the steamer went it would still look flowery
5 Not a success in the matter of colour
6 Here is ungallant advice
7 Does the engineer's draughtsman need a ruler to design this?
14 The height of evil?
16 A flying start for many a word
18 Empty
20 Journal of the days gone by? (two word)
21 A sporting contest, but quite peaceful (three words)
23 Emphatic type
25 Does his second half grow in Africa with him?
26 It can produce a good squash
28 His pun makes a nautical order

The solutions will be published next week

SOLUTION OF LAST WEEK'S PUZZLES



Sixty Years Ago

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 12, 1878

On Saturday afternoon a few of the members of the S. C. C. played a scratch game. It was originally intended to have a whole day match, but this was found impossible, as but a few members could leave their offices. Much has been said lately about the apathy shown generally by the residents of Shanghai, but this is somewhat underserved, at least so far as cricket is concerned. If men could leave their offices for a day's cricket, we feel sure they would; but this is now the busy time, and in most cases the offices are short-handed, and so it is doubly difficult for them to get away. Shanghai cricketers know how pleasantly a day can be passed on the cricket field, and those who availed themselves of this opportunity agreed that they had a most enjoyable afternoon's sport. Sides were chosen by Sir W. Johnston and Mr. J. C. Johnston, Sir Johnston's team had a long way the best of it, thanks to the good batting of Mr. Stuart, the excellent play of Mr. Valentine, and the useful 23 of the Captain. For Mr. J. C. Johnston's team, Mr. Hodder played a very careful innings, putting on 31 runs out of a total of 53. In the second innings of Mr. J. C. Johnston's team, Messrs. Reynell 39, and Lamond, not out, 20, gave a great deal of leather hunting.

* * *

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 13, 1878

From Ningpo:—A correspondent writes:—It may interest some of your readers to hear that a tiger was shot within eight miles of this city yesterday morning. When the report reached me, I was somewhat sceptical, as I have so often found that the so-called laohu turns out to be a leopard, so I determined to set my doubts at rest by a personal inspection of the animal, which was on view at the Prefect's Yamen. As I passed along the streets, I heard nothing on either side of me but talk of the laohu, whose slaughter seemed to have created immense excitement. The approaches and entrance to the Prefect's Yamen were thronged with people, who apparently derived enjoyment merely from being in the immediate proximity of the beast, for they could not see him, as he was deposited in the inner precincts. On sending in my card, I was admitted to a view, and all doubts as to the animal being a veritable tiger were immediately set at rest. Though rather undersized, the beast was in capital condition and well marked. The hair seemed to me finer than that of the skins sold in the North, though this may be owing to the casting of the winter coat. The Prefect, who was kind enough to invite me into his room, gave me the following account of the animal's capture. A labourer was hoeing in the fields on Sunday evening, at a place called Mengtsun, about eight miles from the West Gate, when he was started by a "noise resembling thunder" close behind him, and on turning round, found himself face to face with a tiger. The animal struck him with his paw and lacerated his arm, biting the hoe with which he tried to defend himself. He left the tiger to worry the hoe, and ran into the city to give information to the Taotai, who started off yesterday morning with 30 soldiers and a howitzer in pursuit of the beast. They found him sleeping in the same field in which he had attacked the man, and let fly at him with the howitzer, following up the shot with a volley of musketry. The shooting must have been rather wild, as I could only see one bullet hole and was informed by the Prefect that one of the soldiers had been accidentally shot in the arm by his companions. The following dimensions were: length throughout 9 feet, height 3 feet, girth 3 feet 8 inches, weight 200 catties, sex, male.

* * *

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 14, 1878.

At the meeting of the Council held in the Council Room, 17 Kiangse Road, Shanghai, on Monday, there were present: Messrs. J. Hart (chairman) R. H. Artindale, G. J. W. Cowie, P. G. Hubbe, E. G. Low, R. Mackenzie, J. H. Wisner, G. Withers and the secretary. The minutes of the previous meeting were read, confirmed, signed and passed for publication. *Local Post Office, northern ports*—it is decided to give a trial of three months to a new arrangement proposed by the Commissioner of Customs at Tientsin, by which all northern mails are to be sent to the care of the Customs Postal Departments at the different ports, who undertake to look after their distribution, and also to make up and forward mails to Shanghai. The arrangement to embrace, Chefoo, Newchwang, Tientsin and Peking. *Amateur Wind Instrument Society*:—letter from the honorary secretary, applying to the Council for an addition to their usual donation of $100 is submitted, and it is decided to reply that the Council see no reason for doing so at present, but that this decision will be reconsidered if necessary. *Fire Department*—application by the Fire Commission for permission to erect staging for water tanks in the "Reserve" Garden, is refused, but with a view of attaining the object desired the Surveyor is instructed to look out for a suitable place for such a staging.

* * *

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 15, 1878

From Wenchow:—Lekin, that bugbear of last year, sems to have completely subsided. All the old officials have been superseded, and the present ones recognize the fact that an excessive tax only injured themselves, whereas the contrary policy would not only be remunerative but the means of saving an infinity of trouble by reason of the increased incentive to smuggling and evasion generally which the high rate gave rise to. As far as piece goods are concerned, the tax has been "farmed" nominally, to one man for a fixed sum said to be $2,000 per annum, to be lowered next year should the speculation be unsuccessful, or raised if the results are such as to warrant this being done. It would appear that the former is certainly the most probable issue. I say nominally to one man, for there are undoubtedly others who contributed to the funds.

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 16, 1878

On few subjects connected with the trade of Shanghai has there been so much said as on that of the Bar at Woosung, and on few have the issues, in question been so far neglected amidst the strife of words. On the part of some of the representatives of steamship owners, it has been the great bugbear of our trade in Shanghai; while on behalf of some sections at least of the Chinese officials it has been the "heaven-sent barrier," expressly designed by a wise Providence, to maintain immaculate the Celestial Empire, from inroads of encroaching foreigners. The Bar has been attacked and defended on sentimental rather than practical grounds, and the result is that it still exists as an impediment to navigation, while year by year the stream of the Hwangpoo is being curtailed by shoals, and the difficulty of access to the wharves increased. It seems time that, amid all this clatter of words, some steps should be taken to point out in clear and definite lines the actual amount of deterioration, and the directions in which it has made itself most felt. Up to this point both sides have rather avoided this very useful, indeed necessary spurt to their arguments. On the one side we have been used to general denunciations, and on the other the questionable nature of some of the points raised has been made the excuse for a refusal to investigate the causes and their effects. We have often pointed out the remarkable fact that no proper survey of the approaches to Shanghai is in existence, and that there is absolutely no machinery for gaining a knowledge of changes continually taking place in the mouth of the Yangtze.

* * *

FROM THE "NORTH-CHINA DAILY NEWS," OF JUNE 17, 1878

From Amoy:—There is no news to transmit. The Chinese are rather exercised over a prophecy that pestilence is about to visit the port. It is to be hoped that, like most of their predictions, it will turn out false. I enclose a translation of a placard on the subject in Chinese, which has been posted on the wall of the joss-house in the middle of Kulangsu. It is as follows:—"A letter has been received from the Han-lin compiler Liang Yao-shu and Wu Pao-chuan, M.A., both natives of Kwantung, but now in Peking, saying that on the 2nd day of the 1st moon of this year the holy Kuan Ti manifested himself upon the altar at the Cheng-yang gate, and delivered a prophecy in in the following terms: On the 15th of the 6th moon (July 16) between 7 and 9 p.m. the Destroying Angel will come upon you. Let all retire early to rest, and not remain sitting or lying beneath the eaves of houses. Those who disobey will assuredly die within the year, while those who avoid doing this will secure happiness. Again, from the 25th to the 27th of the 7th moon, at noon on each day, the Angel of Pestilence will come upon you and poison your water. You must not then draw from the river or from the sea, or from wells; and those who have wells of their own should have them covered over and fastened securely down, whereby they will escape without injury. Let all store up beforehand plenty of water in kongs; they will thus be safe. And whosoever copies and circulates this notice for general information, verily his merit shall be great." 24th day of 4th moon—May 25, 1878. The cholera is the pestilence that is anticipated. I only hope that the present scare will induce the natives to more than they do, and to observe the practice the virtue of cleanliness a little most elementary of sanitary laws. It will have done some good and may ward off some epidemic.

SICCAWEI METEOROLOGICAL REPORT

Day of month	Barometer 9 A. M.	Barometer Att'ed Therm	Wind Direction a.m.	Wind (1-12)	Hygrometer 9 a.m. Dry	Hygrometer 9 a.m. Wet	Thermometer in Shade Max.	Thermometer in Shade Min.	Weathers Condition
June 10	29.94	76.5	E S E	1	75.4	72.3	82.8	66.2	o.
,, 11	29.70	78.1	S	2	84.2	79.5	91.2	71.4	o.
,, 12	29.78	77.5	N N E	1	68.0	68.0	—	—	R.
,, 13	29.74	75.6	E	2	68.7	68.7	77.0	64.0	R.
,, 14	29.81	75.6	W S W	1	68.5	68.5	—	—	R.
,, 15	29.91	74.7	E S E	1	71.2	69.6	81.1	64.0	o.
,, 16	29.95	74.8	E N E	2	69.6	69.6	72.1	66.7	R.

EXPLANATION

B—bule sky F—fog H—hail M—misty (hazy) R—rain T—thunder
C—clouds D—drizzle L—lightning O—overcast (dull) S—snow Z—calm

SHANGHAI THERMOMETER READINGS FOR THE WEEK

In the open air in a shaded situation in the Foreign Settlement

Date	Minimum Temperature 1938	Minimum Temperature 1937	Maximum Temperature 1938	Maximum Temperature 1937	Rainfall 1938	Rainfall 1937
June 10	68.0F.	67.5F.	80.5F.	79.0F.	Nil	Nil
,, 11	73.0	66.5	91.5	75.0	Nil	0.12-in.
,, 12	67.0	66.5	88.0	68.5	1.34-in.	0.68
,, 13	66.0	66.0	75.0	69.0	1.20	0.74
,, 14	65.0	68.0	75.5	76.5	3.18	0.06
,, 15	65.0	68.0	78.0	75.5	0.32	Nil
,, 16	67.5	68.0	75.5	80.5	3.67	Nil

VESSELS DUE AT FUTURE DATES

Ships are shown under the port at which last reported. The first date against a ship's name is the date of departure (or when the ship has not left the probable date of departure) from that port. The second date shows when the vessel is due at Shanghai. Vessels sailing from all ports of the world are given.

EUROPE AND STRAITS

From GLASGOW
Agamemnon 18/6 3/8

From LIVERPOOL
Hector 14/5 24/6
Teiresias 21/5 2/7
Menestheus 28/5 6/7
Menelaus 4/6 15/7
Lycaon 18/6 30/7

From HAMBURG
Afrika 13/5 29/6
Neckar 18/6 31/7
Talabot 30/6 8/8

From GIBRALTAR
Rawalpindi 21/6 24/7

From MARSEILLES
J. Laborde 10/6 8/7

From MARSEILLES
Aeneas 18/6 23/7

From GENOA
Siam 22/6 4/8

From TRIESTE
C. Verde 16/6 10/7

From PORT SAID
Taronga 14/6 8/7
Donau 9/6 8/7

From SUEZ
Potsdam 20/6 9/7
Titan 21/6 20/7
Sauerland 17/6 22/7

From ADEN
Ranpura 20/6 10/7

From BOMBAY
Bangalore 21/6 11/7

From PENANG
Duisburg 20/6 8/7

From KARACHI
Fusijama 11/6 7/7

From BATAVIA
Tjibadak 15/6 29/6

From MACASSAR
Tjinegara 20/6 4/7

From SINGAPORE
Naldera 18/6 26/6

From MANILA
Athos II 18/6 24/6
Poylebank 17/6 27/6

AMERICA AND JAPAN

From NEW YORK
Niel Maersk 11/5 26/6
Malayan Pr. — 30/6
C. Singapore 17/5 11/7
Hopecastle 25/5 14/7
Taybank 6/6 27/7
Silveryew 23/6 8/8
C. Evansville 17/6 13/8

From NEW YORK
Clytoneus 27/6 16/8

From HAMPTON ROADS
Muncaster C. 16/6 28/7

From LOS ANGELES
Penrith C. 31/5 27/6
Phemius 14/6 12/7

From YOKOHAMA
Antenor 17/6 25/6

From NAGOYA
Fushimi M. 20/6 27/6

From KOBE
Scharnhorst 20/6 22/6

PASSENGER LISTS

INWARD

N.D.L. ss. Scharnhorst

From Europe and Wayports.—June 12.—Mrs. G. Freitag, Mr. F. Sanger, Mr. R. Brill, Mr. and Mrs. W. Doerner and Master H. Doerner, Mr. and Mrs. P. Meyns, Mr. T. Meyer, Mr. O. Kinzel, Mr. and Mrs. H. von Guelpken, Mrs. M. S. Calhoun, Mr. G. A. Zehner, Mr. H. B. Gallop, Mr. K. Seinitz, Mr. D. J. Stanhart, Mr. W. Kearten, Mr. F. Dahlmann, Mr. J. G. Forbes, Mr. U. Jessen, Mr. Radruch, Mrs. A. Gordeef, Mrs. A. Kolotoff, Mr. K. Schaefer, Mr. B. Becht, Mrs. R. and Mstr. G. Arnold-Jones, Mrs. A. M. Ruck, Mrs. L. B. Kershaw, Mrs. E. M. Sawdon, Mrs. V. Bennett, Miss S. Thaeter, Mr. and Mrs. J. G. Faber.

C.P.R. ss. Empress of Canada

From Vancouver and Japan.—June 14.—Mr. R. Francois, Mr. W. C. Boone, Mr. J. E. Cheatham, Mrs. J. E. Covington and three children, Mr. S. Hansen, Mr. and Mrs. R. C. Jackson and two children, Mrs. E. M. McIntyre, Mr. D. W. Morrison, Mr. J. H. M. Omond, Mr. and Mrs. H. W. Price, Mr. and Mrs. V. Rose, Mr. L. Underwood, Mr. B. H. Warren, Mrs. E. R. Meier, Mr. J. Winter, Mr. G. Chevalerie, Mr. J. D. Bermann, Mr. D. A. Btesh, Miss S. Clark, Dr. H. H. Hagemann, Mr. A. A. Javerl, Mr. and Mrs. A. Parfall, Mr. E. Mayeel, Dr. F. A. M. Noelting, Mr. H. N. S. Sassoon, Mr. W. Tuschsen, Mr. and Mrs. L. Vandersall, Miss E. M. Fielding, Mr. L. G. Rueben, Mr. R. L. Evans, Miss M. Sinclair, Mr. E. Tucker, Sister Bloser, Mr. and Mrs. C. Haynes, Mr. N. Klebanoff, Mr. M. S. Nessim, and Mr. S. Bercovitch.

OUTWARD

N.D.L. ss. Scharnhorst

For Japan.—June 13.—Mr. C. F. Cress, Mr. T. A. Duffey, Mr. and Mrs. L. Hudec and child, Mr. J. Komor, Mrs. Th. Mayer, Mrs. A. Pawlenka, Mr. and Mrs. T. S. Powell, Mr H. Wissler, Mr. W. Bagier, Mrs. J. V. Everett, Mr. R. E. Hagnauer, Mr. H. A. Jost, and Mr. H. Mousley.

C.P.R. Empress of Asia

For Vancouver and Japan.—June 13.—Mr. and Mrs. O. Preusman, Mrs. C. R. and Miss K. Hargreaves, Mrs. E. A. and Miss E. Meyerink, Mr. E. Hedaya, Mrs. F. Bristow, Mrs. A. Stevens, Mr. and Mrs. R. S. Shean, Mr. L. D. Patterson, Mr. I. S. Smith, Mr. G. A. Smith, Mr. G. Fukumori, Mr. W. H. Auden, Mr. C. Isherwood, Mr. and Mrs. L. M. Carson, Mr. and Mrs. P. Semion, Miss S. Reid, Miss G. Ross, Mr. J. N. Sipser, Mr. J. Glatzel, Mr. and Mrs. W. J. and, Miss M. Doddridge, Mr. and Mrs. A. Bookless, Mr. Y. Chassery, Mr. and Mrs. D. A. Walker, Dr. and Mrs. R. Jones, Mr. and Mrs. J. and Miss Hart, Mr. and Mrs. N. McGeorgor, Mme. E. Greenehouse, Mme. A. Boissezon, Mr. and Mrs. H. R. Grubb, Mr. and Mrs. J. A. Duff and four children, Miss F. Black, Miss R. Anderson, Rev. J. A. Williamson, Mr. D. J. and Master Martinet, Mr. and Mrs. H. A. Wilbur, Mr. H. Ashford, Mr. H. T. Silcock, Mr. and Mrs. M. M. and Master Loutit, Mrs. S. L. and Miss G. Frost, Miss M. Manget, Mr. A. E. de Camp, Mr. E. S. Belknap, Rev. B. Boudrea, Mrs. E. Bartley, Miss V. Silcocks, Miss R. Satterfield, Miss L. Foster, Mr. and Mrs. Zigalnitsky, Dr. J. L. Hagman, Mrs. L. and Master A. T. Law, Mr. E. W. de Rose, Mr. E. Anderson, Mr. J. Tuck, Mr. Koy, Master Farafontoff, Mr. N. Goncharoff and Mr. H. Dorless.

C.P.R. ss. Empress of Canada

For Hongkong and Manila.—June 15.—Mr. H. Abend, Mr. P. S. Grant, Mr. S. Matsumoto, Mr. J. J. Patterson, Mr. L. Kadoorie, Comdr. J. D. M. Ham, Mr R. J. Hedgeland, Mr. C. R. M. Young, Comdr. and Mrs. J. M. Doyle, Mr. J. B. Grant, Mr. C. Holden, Mr. and Mrs. A. B. Park, Mrs. R. Grum, Mr. E. W. Langdon, Mr. R. Grimm, Mr. J. M. Alkow, Mr. M. E. Gelpke, Mr. R. Maitland, Mrs. C. H. and Miss V. Atkinson, Mrs. C. Robbins, Lieut. P. C. Harris, Mr. and Mrs. Strouvevich, Mr. P. A. Najar, Mr. G. W. Hulson, Mr. F. Hutchison, Mrs. P. W. Winston, Mrs. P. R. Kinney, Lieut. R. Paterson, Master D. H. Wythe, Mr. M. S. L. Brierly, Mr. G. Moss, Miss E. Gaitskill, Mr. B. Copelman, Mrs. C. S. and Misses B. S. and L. S. Vargas, Mr. W. A. Scharffenberg, Mr. J. H. Bryars, Mr. Maharaze, Mr Dorentsen and Mr. B. E. Aristorenas.

B. & S. ss. Szechuen

For Hongkong.—June 18.—Mrs. E. Walden, Miss Eddo, Mr. R. P. C. Fletcher, Mr. Rolstone, Mr. and Mrs. Dainton.

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